FRANCHISE DISCLOSURE DOCUMENT

Jiffy Junk Franchising LLC
a New York limited liability company
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West Babylon, New York 11704
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We are offering franchises for the operation of businesses operating under the "Jiffy Junk" name which will provide junk removal and hauling services for residential and commercial clients.

The total investment necessary to begin operation of a Jiffy Junk franchise is $83,100 to $129,500. This includes $45,000 that must be paid to the franchisor and/or its affiliate.

The total investment necessary to begin the operation of a Jiffy Junk multi-unit development business ranges from $166,100 to $213,400, for a required minimum of five Jiffy Junk businesses to be developed. This includes $125,000 which must be paid to the franchisor and/or its affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive the disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Robert Palumbo at 615 Sunrise Highway, West Babylon, New York, 11704, and (844)543-3966.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC, 20580. You can also visit the FTC's home page at *www.ftc.gov* for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: December 28, 2022

How to Use this Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information.

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit E.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit G includes financial statements. Review these statements carefully.
Is the franchise system stable, growing or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Jiffy Junk business in my area?	Item 12 and the "territory" provisions in the franchise agreement and multi-unit development agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Jiffy Junk franchisee?	Item 20 or Exhibit E lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need to Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit A.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1) **Out-of-State Dispute Resolution**. The franchise agreement and multi-unit development agreement require you to resolve disputes with the franchisor by arbitration and/or litigation only in New York. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in New York than in your own state.

2) **Short Operating History**. The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

3) **Mandatory Minimum Payments**. You must make minimum royalty, advertising, and other payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

4) **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the Franchise Agreement, even if your spouse has no ownership interest in the franchise. This Guarantee will place both your and your spouse's marital and personal assets (perhaps including your house) at risk if your franchise fails.

Certain states may require other risks to be highlighted. If so, check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

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ITEM 1
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor

Jiffy Junk Franchising LLC ("we", "our" or "us") is a New York limited liability company that was formed on August 7, 2017, and has its principal address at 615 Sunrise Highway, West Babylon, New York, 11704. We do business under our corporate and under the trade name "Jiffy Junk." We will refer to the person who buys this franchise as "you" or "your" throughout this Disclosure Document. If the franchise purchaser is a business entity, "you" or "your" also includes each partner, shareholder and/or other owner of that entity.

We are offering franchises for the operation of businesses operating under the "Jiffy Junk" name which will provide junk removal and hauling services for residential and commercial clients ("Business" or "Franchised Business"). The services we provide include cleaning out apartments, homes, garages, attics, and offices; appliance removal; hoarding clean-up; furniture removal; and estate clean out. A Jiffy Junk business does not provide household waste removal and does not handle the hauling of any liquids, gases, flammable waste or hazardous waste.

We presently do not operate a business of the type being franchised. We have never offered franchises in this or any other line of business. We began offering franchises in December 2017. Our agents for service of process are listed in Exhibit A.

Our Parents, Predecessors and Affiliates

We have no predecessor or parent.

We have an affiliated company, Jiffy Junk LLC, a New York limited liability company formed on September 9, 2014, and headquartered at our address. Jiffy Junk LLC owns the Proprietary Marks, as described in Item 13, which have been licensed to us so that we may sublicense them to our franchisees. Jiffy Junk LLC has never offered franchises in this or any other line of business previously.

We have operated, through our affiliates, Jiffy Junk businesses similar to the franchise offered by this Disclosure Document since 2014. We currently own and operate Jiffy Junk businesses in Long Island, New York. We previously owned and operated a Jiffy Junk business in the Washington, DC, metropolitan area which closed in 2020. We may operate other Jiffy Junk concepts, including other Jiffy Junk businesses similar to the franchise offered, in the future.

The System

Our system includes: a method of providing junk removal for residential and commercial clients; distinct color scheme and custom lettered vehicles; materials and supplies; methods, specifications and procedures for operations; procedures for management control; training and assistance; and merchandising, advertising and promotional programs, and client service procedures, all of which may be changed, improved and further developed (the "System"). The System is identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including the mark "Jiffy Junk," as are now designated and may in the future be designated by us in writing for use with the System (the "Proprietary Marks").

The Franchise Offered

We offer you a franchise agreement (the "Franchise Agreement") which gives you the right to establish and operate a Jiffy Junk business for an area that we mutually agree on ("Designated Territory"). The Franchise Agreement gives you the right to use the Proprietary Marks and the System solely with the operation of the Franchised Business in the Designated Territory. If we grant you a franchise, you must sign our current form of Franchise Agreement, which is attached to this Disclosure Document as Exhibit C.

Multi-Unit Development Agreement

In certain circumstances, we will offer to you the right to sign a multi-unit development agreement (the "Multi-Unit Development Agreement") in the form attached as Exhibit D to this Disclosure Document to open multiple Jiffy Junk businesses to be located within a specifically described geographic area (the "Development Area"). We will determine the Development Area before you sign the Multi-Unit Development Agreement and a description of the Development Area will be included in the Multi-Unit Development Agreement. Under the Multi-Unit Development Agreement, you must establish at least five Jiffy Junk businesses within the Development Area according to a minimum performance schedule and sign a separate Franchise Agreement for each Business established under the Multi-Unit Development Agreement. The Franchise Agreement for the first Jiffy Junk business opened under the Multi-Unit Development Agreement will be in the form attached as Exhibit C to this Disclosure Document and will be signed at the same time you sign the Multi-Unit Development Agreement. For each additional Business developed under the Multi-Unit Development Agreement, you must sign the form of Franchise Agreement that we are then offering to new franchisees, which may differ from the current Franchise Agreement included with this Franchise Disclosure Document. The size of the Development Area will vary depending upon local market conditions and the number of Franchised Businesses to be developed.

Market and Competition

You will offer your services to residential and commercial customers. In general, the junk removal business is competitive, but quite fragmented. Your competition will come primarily from other junk removal businesses, some of which may be franchise systems, and you may also experience competition from waste removal companies. In some markets these businesses are locally based, and other markets may include regional or national chains as competitors.

We experience some seasonality to our business. Generally, the warmer months of spring and summer are busier than fall and winter months. You may not experience this seasonality if your Designated Territory is located in an area with warm temperatures year-round.

Industry Specific Laws

Hauling companies are regulated by federal and state law. Most states have transportation agencies that oversee the state's laws. The US Department of Transportation's Federal Motor Carrier Safety Administration administers federal laws relating to this industry. There may also be restrictions on licensing related to your drivers and your trucks, and you may have to obtain special permits related to junk hauling and dumping.

We urge you to make inquiries about laws that may be applicable to your Franchised Business. Because our industry is regulated, you must be aware of all regulations and keep apprised of changes that may have an impact on the Franchised Business. You must comply with all local, state, and federal laws that apply to your Franchised Business and those laws can vary significantly from one state to the next. We

have not determined the licensing requirements in your proposed territory, or whether it is possible to obtain necessary licenses. You must determine the licensing requirements in your proposed territory before you sign the Franchise Agreement. Your business also may be limited by exclusive governmental licenses claimed by other garbage or waste collection companies, or by restrictions claimed on your right to access local transfer sites or landfills. You may want to obtain a complete copy of your state's and other applicable statutes and regulations and discuss them with your attorney.

ITEM 2
BUSINESS EXPERIENCE

Managing Member – Robert Palumbo

Mr. Palumbo has been our Managing Member since our inception in August 2017 and has been a Member of Jiffy Junk LLC since its inception in September 2014. From May 2001 to May 2016, he was President of White Glove Restoration Corp. in Babylon, New York.

Managing Member – Adam Butler

Mr. Butler has been our Managing Member since our inception in August 2017 and has been a Member of Jiffy Junk LLC since its inception in September 2014. From June 2013 to November 2015, he was Finance Manager for Smith Haven Jeep in St. James, New York. From June 2012 to June 2013, he was Finance Manager for Platinum Volkswagen in Hicksville, New York. From January 2012 to June 2012, he was Finance Manager for Legacy Infiniti in Lynbrook, New York.

Director of Franchise Training - Myrvin Garnett

Mr. Garnett has been our Director of Franchise Training since July 2018, and he has been the Operations Manager with Jiffy Junk LLC since December 2014.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Franchise Agreement: When you sign the Franchise Agreement, you must pay to us an initial franchise fee of $45,000 for a Designated Territory that includes a population of approximately 500,000 people. If you are purchasing your second or later Franchised Business, the initial franchise fee will be reduced to $40,000. Your initial franchise fee includes your initial set of marketing materials.

The initial franchise fee is imposed uniformly on our franchisees and it is not refundable under any circumstances. The initial franchise fee is payable in a lump sum when you sign the Franchise Agreement.

In our last fiscal year ended August 31, 2022, we discounted the initial franchise fee for one franchisee by $5,000.

Multi-Unit Development Agreement: If you qualify to develop and operate multiple Jiffy Junk Businesses, then you will pay to us a reservation fee equal to $45,000 for the first Jiffy Junk Business, plus $40,000 for each additional Business you commit to develop under the Multi-Unit Development Agreement. Under the Multi-Unit Development Agreement, you must establish at least five Jiffy Junk businesses within the Development Area according to a minimum performance schedule. If you commit to develop five Businesses, you must pay to us $125,000 when you sign the Multi-Unit Development Agreement. The reservation fee is imposed uniformly on all multi-unit developers, is fully earned by us when received and is not refundable or credited against any other fees you must pay to us.

Upon execution of the Multi-Unit Development Agreement, you also will sign a Franchise Agreement for your first Business. You will receive a $45,000 credit from the reservation fee as full payment of the initial franchise fee due under your first Franchise Agreement. The initial franchise fee for each additional Franchise Agreement you sign for a Business to be developed under the Multi-Unit Development Agreement is reduced to $40,000. Upon execution of each additional Franchise Agreement, you will receive a $20,000 credit from the reservation fee, and you will pay the balance of $20,000 in a lump sum.

The reduced initial franchise fees are imposed uniformly on all multi-unit developers and are not refundable under any circumstances.

There are no other payments to or purchases from us or any affiliate that you must make before your Franchised Business opens.

ITEM 6
OTHER FEES

Column 1 **Type of Fee (1)**	Column 2 **Amount**	Column 3 **Date Due**	Column 4 **Remarks**
Royalty Fee (2)	$3,000 per truck	Payable on the 10th day of each month (or the next business day if the 10th is not a business day)	Payable by electronic funds transfer
Lead/Review Generation Fee	$129	Monthly	Payable to approved supplier, and subject to increase, for the administration of leads and customer reviews
National Accounts Administrative Fee	10% for jobs in your Designated Territory 15% for jobs outside your Designated Territory	As incurred	We bill for and collect the payments for all National Accounts jobs completed by you, and we pay your portion to you less any fees due to us.

Column 1 **Type of Fee (1)**	Column 2 **Amount**	Column 3 **Date Due**	Column 4 **Remarks**
Brand Development Fee	$1,250	Payable at the same time and in the same manner as the Royalty Fee	The Brand Development Fund is described in Item 11.
Local Advertising	$1,250 or 5% of Gross Revenues, whichever is greater	Must be spent monthly	Payable to local advertising suppliers. All local advertising materials you wish to use must first be approved by us. Gross Revenues includes all revenue generated by your Franchised Business less applicable sales taxes and customer refunds and adjustments. We will require monthly gross revenue reports to determine advertising spend for the month.
Cooperative Advertising (3)	As determined by the members	As determined by the members	Any amount you contribute to an advertising cooperative will count toward your local advertising requirement, but if the amount you contribute to a cooperative is less than your local advertising requirement, you must still spend the difference locally.
Transfer Fee	50% of our then-current initial franchise fee for a single unit franchise	Upon completion of the transfer	No fee is imposed for a one-time transfer to an entity formed by you for the convenience of franchise ownership. The fee is the same under the Franchise Agreement and Multi-Unit Development Agreement.
Sales Center Fee	$800 monthly	Payable at the same time and in the same manner as the Royalty Fee	Payable to us, and subject to increase, for support of call center services which we provide to you.
Email Fee	$8 per account/email address	Payable at the same time and in the same manner as the Royalty Fee	Payable to us or an approved supplier, subject to increase

Column 1 **Type of Fee (1)**	Column 2 **Amount**	Column 3 **Date Due**	Column 4 **Remarks**
Initial Training and Additional Personnel Training	Our then-current training fee per person, plus expenses Current training fee = $500 per day	Within 30 days after we invoice you	We provide our initial training program to up to three people at no additional charge, but you must pay all of your travel and living expenses while attending training. If you wish to send additional trainees to our training program, you must pay our training fee in addition to their expenses.
Additional On-Site Assistance or Training	Our then-current per diem fee per trainer, plus expenses Current per diem fee = $500	Within 30 days after our invoice to you	Payable if you request that we provide additional training or assistance on-site at your Franchised Business, or if we believe that additional assistance is required. Reimbursable expenses include travel, lodging and meals.
Interest on Overdue Amounts	18% per annum or the highest rate allowed by applicable law, whichever is less	On demand	Any amounts not paid when due will be a default of your Franchise Agreement and will accrue interest. Interest will accrue from the original due date until payment is received in full.
Insufficient Funds Fee	$100	On demand, if incurred	Payable if there are insufficient funds in your account to pay fees due to us. If you incur three insufficient funds fees in any 12-month period, we have the right to terminate your Franchise Agreement.
Audit	Not applicable		
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	Payable upon your failure to comply with your Agreement
Indemnification	Will vary under circumstances	As incurred	You must reimburse us if we are held liable for claims arising from your Franchised Business' operations.
Liquidated Damages	See Note 4	15 days after termination	

Column 1 **Type of Fee (1)**	Column 2 **Amount**	Column 3 **Date Due**	Column 4 **Remarks**
Supplier Testing	Our costs in evaluating the proposed supplier, not to exceed $1,000	On demand	If you request that we approve a supplier or product, you must reimburse us for our costs in evaluating the supplier or product.
Service Vehicle Replacement	As incurred	As negotiated	Each service vehicle must be replaced before it reaches 200,000 miles or it is 8 years old, whichever comes first. You are permitted to sell the cab and chassis, but the truck body must be destroyed and recycled according to our requirements. All service vehicles must meet our requirements for appearance while they are in service.
Insurance	Reimbursement of our costs	On demand	If you do not obtain the required insurance, we may (but are not required to) obtain insurance on your behalf.
Management Fee	Our then-current per diem fee, plus expenses Current per diem fee = $500	As incurred	We have the right to step in and operate your Franchised Business for you in certain circumstances. If we do this, you must pay our management fee and reimburse our expenses.
Prohibited Service or Product Fee	$500 per day	If incurred	You will pay this fee if your Franchised Business offers services or products not approved by us.
CRM Software Maintenance Fee	$120.75 per desktop user; $37.95 per mobile/truck user	Monthly	Payable to the approved supplier and subject to increase. The software requirements are described in Item 11.

1. All fees described in this Item 6 are non-refundable. Except as otherwise indicated in the preceding chart, we uniformly impose all fees and expenses listed and you must pay them to us. At the present time we have no plans to increase the fees over which we have control, but as noted in the chart above, we have the right to increase certain fees upon notice to you.

2. Royalty Fees and Brand Development Fees are payable to us by electronic funds transfer ("EFT"). You must sign any forms required by us, our bank or your bank to permit us to process EFTs from your account. If any state imposes a sales or other tax on the Royalty Fees, then we have the right to collect this tax from you.

3. Cooperatives will include all Jiffy Junk businesses located in a specific geographic area, whether owned by us, our affiliates or our franchisees. Each Business has one vote in the cooperative, except that no franchisee (or commonly controlled group of franchisees) may have more than 25% of the total vote, regardless of the number of Businesses owned. No cooperatives have been established as of the date of this Disclosure Document.

4. If we terminate your Franchise Agreement for cause, you must pay us within 15 days after the effective date of termination liquidated damages equal to the monthly Royalty Fee payment as of the effective date of termination multiplied by (a) 24 (being the number of months in two full years), or (b) the number of months remaining in the Agreement had it not been terminated, whichever is lower.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Column 1 **Type of Expenditure**	Column 2 **Amount**	Column 3 **Method of Payment**	Column 4 **When Due**	Column 5 **To Whom Payment is to be Made**
Initial Franchise Fee (1)	$45,000	Lump sum	When you sign the Franchise Agreement	Us
Office Rent – 3 Months (2)	$0 to $2,500	As arranged	As arranged	Landlord
Parking (Per Truck) – 3 Months (3)	$0 to $1,500	As arranged	As arranged	Landlord
Equipment, Furniture and Fixtures (4)	$1,500 to $3,000	As arranged	As incurred	Suppliers
Signage (5)	$500 to $2,500	As arranged	As arranged	Suppliers
Initial Inventory and Operating Supplies (6)	$100 to $500	As arranged	As arranged	Suppliers

Column 1 **Type of Expenditure**	Column 2 **Amount**	Column 3 **Method of Payment**	Column 4 **When Due**	Column 5 **To Whom Payment is to be Made**
Security Deposits (7)	$2,500 to $3,500	As arranged	As arranged	Landlord, Utility Companies
Insurance – 3 Months (8)	$3,000 to $7,500	As arranged	As arranged	Insurance Companies
Grand Opening Advertising (9)	$2,000 to $3,000	As arranged	As arranged	Suppliers
Travel and Living Expenses While Training (10)	$1,000 to $2,000	As arranged	As arranged	Airline, Hotel, Restaurants
Computer System (11)	$1,000 to $3,000	As arranged	As arranged	Suppliers
Permits and Licenses (12)	$500 to $3,000	As arranged	As arranged	Government Agencies
Truck (13)	$0 to $10,000	As arranged	As arranged	Supplier
Professional Fees (14)	$1,000 to $2,500	As arranged	As arranged	Attorney, Accountant
Additional Funds – 3 Months (15)	$25,000 to $40,000	As arranged	As arranged	Various
Total	**$83,100 to $129,500**			

In general, none of the expenses listed in the above chart are refundable, except any security deposits you must make may be refundable. We do not finance any portion of your initial investment.

1. ***Initial Franchise Fee***. The initial franchise fee is discussed in Item 5.

2. ***Office Rent***. You may choose to operate the Franchised Business from a home-based office, or you may choose to lease office space. In either case, you will need between 300 and 500 square feet of space for your office. If you choose to lease office space, we expect it will be located in an area zoned for commercial or industrial use. The low end of the estimate assumes you will operate out of your home. Rental costs will vary widely and may be significantly higher than projected in this table depending on factors such as property location, population density, economic climate, prevailing interest rates and other financing costs, conditions of the property and extent of alterations required for the property. We do not anticipate the office space you lease will need leasehold improvements.

Landlords may vary the base rental rate and charge rent based on a percentage of gross sales. In addition to base rent, the lease may require you to pay common area maintenance charges ("CAM Charges") your pro rata share of the real estate taxes and insurance, and your pro rata share of other charges. The actual amount you pay under the lease will vary depending on the size of the property, the types of

charges that are allocated to tenants under the lease, your ability to negotiate with landlords and the prevailing rental rates in the geographic region.

If you choose to purchase real property on which to build your Franchised Business, your initial investment will probably be higher than what we estimate above. If you purchase real property, we cannot estimate how this purchase will affect your total initial investment.

3. ***Parking (Per Truck)***. If you rent office space, you must obtain overnight parking pads for your trucks. If you establish a home-based office, you must have adequate parking for each of your trucks, or you must then obtain overnight parking pads. If you will operate a home-based office, we recommend you check local regulations for commercial parking to ensure you are operating legally within your town's commercial parking codes.

4. ***Equipment, Furniture and Fixtures***. You will need basic office furniture for your office, including desks, chairs, file cabinet, interior décor, and similar items.

5. ***Signage***. These amounts represent your cost for your interior and exterior signage, including lettering costs for one truck. Your landlord or your local ordinances may have different restrictions it places on interior and exterior signage which may affect your costs. Your truck must be lettered in accordance with our guidelines in our Operations Manual. We estimate the lettering will cost between $750 and $1,000.

6. ***Initial Inventory and Operating Supplies***. This estimate includes the cost of hand tools, power tools, hand trucks, brooms, safety equipment (gloves, respirator masks, etc.), shovel, rake, and wheelbarrow.

7. ***Security Deposits***. We expect that you will need to pay deposits for your local utilities, such as telephone and electricity, and your landlord may require you to pay a security deposit. The amount of your deposits will depend, in part, on your credit rating and the policies of the individual utility companies.

8. ***Insurance***. Our estimate represents three months of premiums for the insurance you must have. Our insurance requirements are included in Item 8 below. Depending on your insurance companies' policies, you may have to pay your insurance premiums monthly, quarterly, semi-annually or annually.

9. ***Grand Opening Advertising***. You must conduct a grand opening advertising campaign to promote the opening of your Franchised Business. We must approve of your grand opening advertising campaign, and your campaign must be conducted in the period that includes 7 days before and 14 days after opening the Franchised Business.

10. ***Travel and Living Expenses While Training***. The figures in the chart are expenses during initial training for three people. You will have travel, lodging, meals, and applicable wages expenses. For this training program, we provide instructors and instructional materials, but you will need to arrange for transportation, lodging and food for up to three trainees. The cost will depend on the distance you must travel and the type of accommodations you choose. If you wish to bring additional trainees to our training program, you must pay our then-current training fee for the additional trainees as well as the trainees' expenses to attend training. Our training program lasts for approximately three days.

11. ***Computer System***. You must purchase the computer system (including hardware and software) that we specify. Additional information about the computer system is included in Item 11.

12. Permits and Licenses. The costs estimated above includes an estimate for the required permits and licenses you may be required to have for the Franchised Business.

13. Truck. Our estimate represents the down payment on one truck. If you choose to purchase your truck outright instead of leasing or financing it, we estimate that you will pay between $75,000 (for a gas-powered truck) and $85,000 (for a diesel-powered truck), including truck signage or lettering. Our current truck specifications are included in our Operations Manual and are subject to change. The estimated lease or finance payments for the first three months of operation for a truck are between $3,000 and $4,200. We have the right to modify the required vehicle and introduce new vehicle specifications and retrofit requirements, such as roll-off containers. If you wish to purchase a used truck for your Franchised Business, the truck must be approved by us before you may purchase it. The low end of the estimate assumes you will use a truck you already own. If you wish to use a truck you already own, the truck must meet our current truck specifications, and must be approved by us before you may use it. If you are using a truck you already own, you must have your existing truck lettered to our specifications.

14. Professional Fees. We strongly recommend that you engage an attorney and/or an accountant to assist you in your review of this franchise offering.

15. Additional Funds. This is an estimate of the amount of additional operating capital you may need to operate your Franchised Business during the initial period of operations which we define as the first three months after opening. This estimate includes such items as payroll, utilities, vehicle fuel and maintenance, Royalty Fees, Brand Development Fees, Lead/Review Generation Fees, and local advertising to the extent that these costs are not covered by sales revenue. These estimates do not include any compensation to you, nor do they include debt service. We based our compilation of these estimates on the experience of our affiliates in operating full-service junk removal service businesses in New York since 2014. These figures are estimates, and there is no assurance that additional working capital will not be necessary during this initial three-month phase or after.

* * * * *

YOUR ESTIMATED INITIAL INVESTMENT MULTI-UNIT DEVELOPER – DEVELOPMENT OF FIVE BUSINESSES				
(1) Type of Expenditure	**(2) Amount**	**(3) Method of Payment**	**(4) When Due**	**(5) To Whom Payment is to be Made**
Reservation Fee (1)	$125,000	Lump Sum	On signing Multi-Unit Development Agreement	Us
Vehicle – 3 Months (2)	$3,000 to $3,900	As Arranged	As Incurred	Suppliers

YOUR ESTIMATED INITIAL INVESTMENT MULTI-UNIT DEVELOPER – DEVELOPMENT OF FIVE BUSINESSES				
(1) **Type of Expenditure**	**(2)** **Amount**	**(3)** **Method of Payment**	**(4)** **When Due**	**(5)** **To Whom Payment is to be Made**
Other Expenditures for First Business (3)	$38,100 to $84,500	See First Table	See First Table	See First Table
Total	**$166,100 to $213,400**			

In general, none of the expenses listed in the above chart are refundable. We do not finance any portion of your initial investment.

1. Reservation Fee; Initial Franchise Fee. These fees are discussed in Item 5. Our estimate assumes you will develop the minimum of five Businesses.

2. Vehicle. We anticipate that you will need a vehicle to view potential sites and to oversee the build-out of the Business. Our estimate includes three months of expenses for gas, maintenance and vehicle payments.

3. Other Expenditures for First Business. These are the estimates to build-out your first Franchised Business. Costs associated with building out additional Businesses are subject to factors that we cannot estimate or control, such as inflation, increased labor costs or increased materials costs.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We have developed standards and specifications for the services provided by you. You must operate your Franchised Business according to these standards. These standards will guide you in the performance of the "Jiffy Junk" services your Franchised Business provides. We formulate our specifications and standards according to industry standards and standard business practices. You must purchase or lease certain items for your Franchised Business from our approved suppliers or according to our specifications. These items include trucks, truck bodies, truck signage, uniforms, marketing materials, office signage, tools, equipment, and computer system. Sometimes we will only provide specifications for the required item, and it will be up to you to find suppliers that meet our specifications.

Neither we nor our affiliate are an approved supplier of any item. None of our officers has an ownership interest in any approved supplier.

Specifications for your truck include standards for gross tonnage, performance, type of cab/chassis; and type of truck body. We also have specifications for the type and appearance of uniforms; memory, capacity, speed and software capabilities of your computer system; capabilities of your telephone equipment; and advertising/marketing materials. You must also be able to process Visa, MasterCard, American Express and Discover credit card payments, use a credit card processor designated by us, and obtain

software specified by us. Our list of requirements and specifications, and our list of recommended and required suppliers, will be included in our Operations Manual and we have the right, in the future, to designate ourselves as an approved supplier for any item, or to change or designate an approved supplier for any of these items from which you must purchase these items. Any changes to our requirements and specifications or to the list of recommended and approved suppliers will be provided to you in writing, including by email, newsletter and updates to the Operations Manual.

Currently we require our franchisees to purchase or lease a new Isuzu (or similar) cab over design service truck with a 15-cubic yard dump body, a toolbox behind the cab, and a winch. Your truck may also have a ramp. Your truck must have the signage and/or lettering that we require.

You must obtain office/storage space for your Franchised Business, which must be large enough for you to operate computer and telephone equipment, maintain records, hold meetings, and store advertising material and recyclable material. We estimate that you will need between 300 and 500 square feet of space for your office. If you will lease office/storage space, it must be approved by us before you obtain it by lease, sublease or purchase agreement. If you will operate the Franchised Business from a home-based office, you must be permitted to do so according to applicable law. In the event that the Franchise Agreement expires or is terminated, you and your landlord must execute an assignment of lease in such form as we may require, allowing us to assume the lease for your office/storage space.

If you wish to purchase an item that has not yet been approved, or you wish to purchase from a supplier that has not yet been approved by us, you must make a written request to us for approval of the proposed item or supplier. We are not required to make available to you or any supplier the criteria that we deem confidential. Our intention in approving any item or supplier is to insure brand consistency throughout the System. We will advise you within a reasonable time (no more than 30 days) whether the proposed items and/or supplier(s) meet our specifications, and our approval will not be unreasonably withheld. A supplier's failure to correct a deviation from our specifications will result in the termination of status as an approved supplier. You must reimburse us for the costs we incur in evaluating and approving new items and/or suppliers, which will not exceed $1,000.

We currently negotiate purchase arrangements with some suppliers for the benefit of our franchisees. We and our affiliates do not currently receive any significant rebates from these purchases, but we have the right to do so in the future. There is no restriction on our use of any rebate payments that we or our affiliates receive, but we and our affiliates may (but are not obligated to) pay these rebates into the Brand Development Fund for the benefit of all Jiffy Junk businesses. If we or our affiliates pay any rebates into the Brand Development Fund, it does not reduce or eliminate your obligation to pay the Brand Development Fee.

For the fiscal year ended August 31, 2022, neither we nor our affiliates earned revenue from approved suppliers based on their sales of products to our franchisees.

The purchase and lease of items from approved suppliers or that meet our specifications represent approximately 10% to 25% of your total expenses in connection with the establishment of the Franchised Business, and approximately 50% of your total expenses in connection with the ongoing operation of the Franchised Business.

There are currently no purchasing or distribution cooperatives in which you must participate, but we have the right to form these cooperatives at any time. We do not grant you any material benefits, such as the grant of additional franchises or the grant of a successor franchise, based on your use of the suppliers that we designate.

We may occasionally conduct market research and testing to determine consumer trends and salability of new products, materials and services. You must cooperate by participating in our market research programs, test marketing new products and services and providing timely reports and other relevant information regarding marketing research. In connection with test marketing, you must purchase a reasonable quantity of products to be tested and effectively promote and make a reasonable effort to sell the products, materials and services. We may also require you to sign an agreement with us authorizing the test marketing.

In addition to the purchases or leases described above, you must obtain (before the opening of your Franchised Business) and maintain, at your own expense, the insurance coverages that we periodically require. Our required insurance coverages will be included in the Operations Manual and may change during the term of your Franchise Agreement. We may regulate the types, amounts, terms and conditions of insurance coverages required for your Franchised Business and standards for underwriters of policies providing required insurance coverage; our protection and rights under the policies as an additional named insured; required or impermissible insurance contract provisions; assignment of policy rights to us; periodic verification of insurance coverage that must be furnished to us; our right to obtain insurance coverage at your expense if you fail to obtain required coverage; our right to defend claims; and similar matters relating to insured and uninsured claims.

You currently must maintain the following minimum insurance coverages: (1) comprehensive general liability with minimum liability coverage of $1,000,000 per occurrence and $3,000,000 aggregate; (2) Workers' Compensation as required by statute or rule in the state(s) in which your Franchised Business is located or operates; (3) automobile liability coverage, including coverage of owned, non-owned and hired vehicles of $1,000,000 combined single limit, and these automobile liability amounts must be maintained for each service vehicle; (4) disability insurance for your employees; (5) at your discretion, employment practices liability insurance; (6) any insurance required by the terms of the lease for your office space; and (7) any other insurance we may require in the future.

In addition to the insurance requirements, we recommend but do not require that you obtain the following additional insurance: (1) general casualty insurance including fire and extended coverage, vandalism, theft, burglary and malicious mischief insurance for the replacement value of your Franchised Business and its contents; and (2) an umbrella policy.

You must maintain all required policies in force during the entire term of the Franchise Agreement and any successor terms. We may periodically increase or decrease the amounts of coverage required under these insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances. Each insurance policy must name us (and, if we request, our affiliate and our respective directors, employees or shareholders) as additional insureds and must provide us with 30 days' advance written notice of any material modification, cancellation or expiration of the policy. We have the right to obtain from your insurance carrier(s) periodic reports of losses (such as monthly, quarterly and/or annually), and you must authorize your insurance carrier(s) to provide us with these reports.

ITEM 9
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

In the table below, the abbreviation "FA" refers to the Franchise Agreement, and the abbreviation "MUDA" refers to the Multi-Unit Development Agreement

Obligation	Article or Section in Agreement	Disclosure Document Item
(a) Site selection and acquisition/lease	FA – Article 9 MUDA – Section 3	Items 7, 8 and 11
(b) Pre-opening purchases/lease	FA – Articles 9 and 10	Items 7, 8 and 11
(c) Site development and other pre-opening requirements	FA – Article 9	Items 7 and 11
(d) Initial and ongoing training	FA – Article 5	Items 6, 7 and 11
(e) Opening	FA – Article 9	Item 11
(f) Fees	FA – Articles 4, 8, 11 and 16 MUDA – Sections 2 and 11	Items 5, 6, 7, 8 and 11
(g) Compliance with standards and policies/ operating manual	FA – Articles 6 and 9	Items 8, 11, 14 and 16
(h) Trademarks and proprietary information	FA – Articles 7 and 14 MUDA – Section 7	Items 13 and 14
(i) Restrictions on products/services offered	FA – Articles 3 and 9 MUDA – Section 7	Item 16
(j) Warranty and customer service requirements	FA – Article 9	Not applicable
(k) Territorial development and sales quotas	FA – Article 9 MUDA – Section 3	Item 12
(l) On-going product/service purchases	FA – Article 5	Item 8
(m) Maintenance, appearance and remodeling requirements	FA – Article 9	Not Applicable
(n) Insurance	FA – Article 10	Items 6, 7 and 8
(o) Advertising	FA – Article 11	Items 6, 7 and 11
(p) Indemnification	FA – Article 13 MUDA – Section 14	Item 6
(q) Owner's participation/ management/ staffing	FA – Article 9 MUDA – Section 7	Items 11 and 15
(r) Records and reports	FA – Articles 9 and 12	Item 6

Obligation	Article or Section in Agreement	Disclosure Document Item
(s) Inspection and audits	FA – Articles 9 and 12 MUDA – Section 12	Item 6
(t) Transfer	FA – Article 16 MUDA – Section 11	Items 6 and 17
(u) Renewal	FA – Article 4 MUDA – Section 5	Items 6 and 17
(v) Post-termination obligations	FA – Article 18 MUDA – Section 10	Item 17
(w) Non-competition covenants	FA – Article 15 MUDA – Section 12	Item 17
(x) Dispute resolution	FA – Article 20 MUDA – Section 19	Items 11 and 17
(y) Liquidated damages	FA – Article 18	Item 6
(z) Guaranty	FA – Article 9, Attachment 8	Item 15

ITEM 10
FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or any other obligation.

ITEM 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, Jiffy Junk Franchising LLC is not required to provide you with any assistance.

Pre-Opening Obligations

Multi-Unit Development Agreement: Before you begin operating under the Multi-Unit Development Agreement, we will grant to you exclusive rights to a Development Area within which you will assume the responsibility to establish and operate an agreed-upon number of Jiffy Junk businesses under separate Franchise Agreements (Multi-Unit Development Agreement – Section 1.1).

Franchise Agreement: Before the opening of a Franchised Business, we will provide the following assistance and services:

1. Approve the location for your Franchised Business if it meets our requirements (Franchise Agreement – Section 9.2). Once we have approved your location, we will also describe your Designated Territory.

2. Provide you with the manufacturer of and specifications for your service vehicle and signage so that you can lease or purchase the accepted vehicle for your Franchised Business (Franchise Agreement – Section 9.5).

3. Lend you one copy of the Operations Manual (Franchise Agreement – Section 5.1).

4. Provide an initial training program at our offices for up to three people, the cost of which is included in your initial franchise fee, but you must pay the costs of transportation, lodging, meals and applicable wages for your trainees (Franchise Agreement – Section 5.3). This training is described in detail later in this Item.

5. Provide, in addition to or in conjunction with the initial training program, up to three days of additional training and assistance at your Franchised Business location (Franchise Agreement – Section 5.3.7).

6. Provide at no additional cost, electronic artwork and templates for various documents and for advertising purposes (Franchise Agreement – Section 5.12).

Continuing Obligations

Multi-Unit Development Agreement: Under the Multi-Unit Development Agreement:

1. We will review site survey information on future sites you select for conformity to our standards and criteria for potential sites and, if the site meets our criteria, approve the site for a Franchised Business (Multi-Unit Development Agreement – Section 8.1).

2. We will provide you with standard specifications for building and furnishing future Franchised Businesses (Multi-Unit Development Agreement – Section 8.2).

3. We will review your site plans and final build-out plans and specifications for future Franchised Businesses in conformity to our standards and specifications (Multi-Unit Development Agreement – Section 8.3).

4. We will provide other resources and assistance as may be developed and offered to our multi-unit developers (Multi-Unit Development Agreement – Section 8.4).

Franchise Agreement: During the operation of a Franchised Business, we will provide the following assistance and services:

1. Provide guidance and assistance in the operation of your Franchised Business. This guidance may be provided in the form of intranet or email communications and periodic telephone communications (Franchise Agreement – Section 5.4). We will also conduct periodic inspections of your Franchised Business and its operations, including evaluations of methods used and staff employed at the Franchised Business.

2. Maintain a Brand Development Fund (Franchise Agreement – Section 11.3).

3. Continue efforts to establish and maintain high standards of customer satisfaction and professionalism in the System.

4. Present a regional or national franchisee meeting when we determine it is advantageous to do so. We may designate that attendance at a franchisee meeting is mandatory for you and your manager. We do not anticipate charging a fee for the franchisee meeting, but you must pay all expenses your attendees incur while at the meeting, including travel, lodging, meals and applicable wages (Franchise Agreement – Section 5.6).

5. Indemnification against and reimbursement for all damages for which you are held liable in any proceeding arising out of your use of any of the Proprietary Properties (including settlement amounts) if you and your owners have fully complied with the terms of the Franchise Agreement (Franchise Agreement – Section 7.10).

Advertising

Brand Development Fund

We established, administer, and control a brand development fund (the "Fund"). You must contribute to the Fund a monthly, non-refundable Brand Development Fee equal to $1,250. The Fund is used for national, regional, and/or local advertising, publicity, and promotion relating to our business. We determine, in our fully unrestricted discretion, the manner in which the Fund is spent. Some portion of the Fund may be used for creative concept production, marketing surveys, test marketing, and related purposes. We direct all advertising activities of the Fund with sole discretion over creative concepts, materials, and media used, as well as their placement and allocation, and we employ agencies, including advertising and public relations agencies, as we determine necessary to best achieve the goals of the Fund. These agencies are paid from the Fund. We determine, in our sole discretion, the composition of all geographic and market areas for the implementation of all advertising and promotional activities. In the fiscal year ended August 31, 2022, 100% of the contributions to the Fund went toward advertising and search engine optimization (SEO).

The Fund is intended to maximize general public recognition in all media of the Proprietary Marks and patronage of Jiffy Junk Franchised Businesses, and we have no obligation to ensure that expenditures of the Fund in or affecting any geographic area are proportionate or equivalent to payments of the Brand Development Fee by franchisees operating in that geographic area, or that any Franchised Business will benefit directly or in proportion to the Brand Development Fees paid for the development of advertising and marketing materials or the placement of advertising. No amount of the Fund is spent for advertising that is principally a solicitation for the sale of franchises. We may reimburse ourselves out of the Fund for the total costs (including indirect costs) of developing, producing, and distributing any advertising materials and collecting the Brand Development Fee (including attorneys', auditors' and accountants' fees and other expenses incurred in connection with collecting any Brand Development Fee). The Fund and its earnings do not otherwise inure to our benefit except that any resulting technology and intellectual property is deemed our property.

The Fund is not our asset, and it is not a trust. We do not owe you any fiduciary obligations because we maintain the Fund. We may spend in any calendar year an amount greater or less than the aggregate contributions made by all Franchised Businesses contributing to the Fund in that year. We may make loans to the Fund (and the Fund may borrow from us or other lenders) bearing reasonable interest to cover any deficits of the Fund or cause the Fund to invest surplus for future use. Any money remaining in the Fund at the end of any year will carry forward to be used in the next year.

Any Franchised Businesses owned by us or by our affiliates contribute to the Fund on the same basis as you. Funds from the Brand Development Fees paid are kept separate and distinct and are accounted for separately from our other funds. These funds are not used to defray any of our general operating

expenses, except as described above. We will prepare, and furnish to you upon written request, an unaudited annual statement of funds collected and costs incurred. We are not required to have any Fund statement audited, but if we choose to have the Fund audited, it will be at the Fund's expense.

We may incorporate the Fund or operate it through a separate entity whenever we want to. We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Fund contributions at the Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the Fund.

We may at any time defer or reduce the Brand Development Fee of a Business and, upon 30 days' prior written notice to you, reduce or suspend the Brand Development Fee and Fund operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Fund. If we terminate the Fund, we will (a) distribute all unspent monies to all businesses in the System (whether franchised or operated by us or our affiliates) in proportion to their respective Brand Development Fees paid during the preceding 12-month period or (b) use the unspent monies for advertising purposes. If we reinstate a terminated Fund, it will be maintained as described above.

Local Advertising

You must spend $1,250 or 5% of your Gross Revenues, whichever amount is higher, each month for local advertising and marketing. We may request, and you must provide within 30 days of our request, reports and receipts evidencing the placement of advertising.

Your advertising promotion and marketing must be completely clear, factual and not misleading and conform to the highest standards of ethical advertising and marketing and the advertising and marketing policies that we periodically prescribe. Before you use them, you must send us for approval, samples of all advertising, promotional and marketing materials which we have not prepared or previously approved. If you do not receive written or verbal approval within 15 days after we receive the materials, they are deemed to be disapproved. You may not use any advertising, promotional or marketing materials that we have disapproved. Advertising promotional or marketing materials which we must approve include any information on a web home page or otherwise on the internet. Any advertising materials you submit to us for our review will become our property and there will be no restriction on our use or distribution of these materials. You may not operate any website involving, referring to, or in any way related to a competitive business. You may not use the Proprietary Marks as part of any domain name, electronic address or search engine and cannot maintain your own website under any circumstances.

Any and all advertising we approve for your use in your Designated Territory will become our property upon our approval and we may use this advertising for our own purposes. You must advertise your Franchised Business using the telephone number and website address we specify. At our request you must include certain language in your local advertising, including "Franchises Available" and our website address and telephone number.

Advertising Cooperatives

We will have the right, as we see fit, to establish a cooperative fund for an area where there are two or more Franchised Businesses in operation, or we may approve a cooperative fund formed by franchisees within an area. The purpose of a cooperative fund is to conduct advertising campaigns for the Franchised Businesses located in that area ("Cooperative Fund"). Contributions to a Cooperative Fund will be determined by majority vote of the members of the cooperative. Any amounts paid to a Cooperative Fund will count as part of your local advertising requirement, but if the amount you contribute to a Cooperative Fund

is less than the amount you must spend on local advertising, you must still spend the difference locally. As of the date of this Disclosure Document, there are no Cooperative Funds in existence.

If a Cooperative Fund for your area was established before you began to operate your Franchised Business, then when you open your Franchised Business, you must immediately join that Cooperative Fund. If a Cooperative Fund for your area is established after you begin to operate your Franchised Business, then you will have 30 days to join the new Cooperative Fund. An individual Franchised Business will not need to be a member of more than one Cooperative Fund. If we (or an affiliate) contribute to a Cooperative Fund, we will have the same voting rights for our Franchised Businesses as do our franchisees with respect to their Franchised Businesses. Each Franchised Business in the Cooperative Fund will have one vote on Cooperative Fund matters, but no one Business (or commonly controlled group of Businesses) will have more than 25% of the total vote.

The Cooperative Fund will determine who will administer the Cooperative Fund. If there are written governing documents for the Cooperative Fund, we must approve of these documents, and they will be available for review by you before you join the Cooperative Fund. Cooperative Funds do not need to prepare annual or periodic financial statements, but if they are prepared, they may be reviewed by you. We will have the power to require Cooperative Funds to be formed, changed, dissolved or merged.

Grand Opening Advertising

You must conduct a grand opening advertising campaign to promote the opening of your Franchised Business, and you must spend between $2,000 and $3,000 for this grand opening advertising campaign. We must approve of your grand opening advertising campaign, and your campaign must be conducted in the period that includes 7 days before and 14 days after opening the Franchised Business.

Advisory Councils

We have the right to develop one or more advisory councils for the System to work with us to improve the services Businesses provide, to advise on advertising conducted by the Fund, and other matters. If we form an advisory council, it will include our representatives and franchisee representatives. Franchisee representatives may be chosen by us or may be selected by other franchisees in the System. If you participate on an advisory council, you must pay any expenses you incur related to your participation, such as travel and living expenses to attend council meetings. Any council we establish will act in an advisory capacity only and will not have decision making authority. We will have the right to form, change, merge or dissolve any advisory council at any time.

Website / Social Media

We alone may establish, maintain, modify or discontinue all internet, world wide web and electronic commerce activities pertaining to the System. We may establish one or more websites accessible through one or more uniform resource locators ("URLs") and, if we do, we may design and provide for the benefit of your Franchised Business a "click through" subpage at our website for the promotion of your Franchised Business. If we establish one or more websites or other modes of electronic commerce and if we provide a "click through" subpage at the website(s) for the promotion of your Franchised Business, you must routinely provide us with updated copy, photographs and news stories about your Franchised Business suitable for posting on your "click through" subpage. We have the right to specify the content, frequency and procedure you must follow for updating your "click through" subpage.

Any websites or other modes of electronic commerce that we establish or maintain, including but not limited to any mobile applications ("apps") that we may introduce, may – in addition to advertising and

promoting the products and services available at Jiffy Junk Businesses – also be devoted in part to offering Jiffy Junk franchises for sale and be used by us to exploit the electronic commerce rights that are ours alone.

In addition to these activities, we may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee email, System discussion forums and System-wide communications (among other activities) can be done. You may not maintain your own website; otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with your Franchised Business; establish a link to any website we establish at or from any other website or page; or at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates the "Jiffy Junk" name or any name confusingly similar to the Marks.

You are not permitted to promote your Franchised Business or use any of the Marks in any manner on any social or networking websites, such as Facebook, Instagram, LinkedIn or Twitter, without our prior written consent. We will control all social media initiatives. You must comply with our System standards regarding the use of social media in the operation of your Business, including prohibitions on you and your employees posting or blogging comments about the Business or the System, other than on a website established or authorized by us ("social media" includes personal blogs, common social networks like Facebook, Instagram and MySpace, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools). We will provide access to branded social media pages/handles/assets, and you must update these regularly. We have the right to conduct collective/national campaigns via local social media on your behalf.

We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any website we establish and maintain, including any and all material you may furnish to us for your "click through" subpage. We have the right, at any time, to revoke your ability to use social media and/or to maintain a social media website.

Site Selection and Opening

If you will not operate from a home-office, you must locate office space within your Designated Territory which has sufficient parking for your service vehicles and your employees' vehicles. We generally do not own the premises and lease it to you. You must provide us with the information we require so we can evaluate the space you have selected. Within 30 days after we receive all information we require, we will notify you whether or not the site is accepted by us. The factors we use in selecting and approving sites includes general location and neighborhood, traffic patterns, parking, size, physical characteristics of existing buildings and lease terms. If you and we cannot agree on a site for your office space within 90 days after the Franchise Agreement is signed, we have the right to terminate the Franchise Agreement, or we may provide an extension of this time period, in our discretion.

We do not provide assistance with conforming the site to local ordinances and building codes, obtaining any required permits, and/or constructing, remodeling, or decorating the premises, and/or hiring and training your employees. We do not provide assistance with equipment, signs, fixtures, opening inventory or supplies except that we provide a list of approved suppliers and our written specifications in the Operations Manual. We do not deliver or install these items.

The typical length of time between the signing of the Franchise Agreement and the opening of the Franchised Business for business is 60 to 90 days. The factors that may affect this time period are your ability to obtain any special permits or licenses for your territory related to junk hauling and dumping, your ability to locate an office space with adequate parking for trucks if you will not operate from a home office, delays in the delivery of your truck with required signage, and any delays in securing required equipment and supplies.

If you are a multi-unit developer, we will approve or disapprove the office locations for future units and any territories for those units using the then-current criteria for sites and territories. The typical length of time between the signing of a Franchise Agreement and the opening of a future outlet is the same for a single unit franchisee. Each additional unit you develop must be opened according to the terms of your minimum performance schedule.

Training Program

We will provide a mandatory initial training program to you, your manager, and one additional person (for a maximum of three people) for approximately three days at our headquarters in West Babylon, New York. The cost of the training program is included in your initial franchise fee, but you must pay for all costs you and your trainees incur while attending the training program, including travel, lodging, meals and applicable wages. (Franchise Agreement – Section 5.3.) If you wish to send additional trainees to our initial training program, you must pay our then-current training fee (currently $500 per day, per person) as well as the trainees' expenses while attending training.

All trainees must complete our initial training program to our satisfaction no later than 30 days before your Franchised Business opens.. If you fail to complete the initial training program to our satisfaction, we may permit you to re-take the training program at your expense (including payment of our training fee) or we may elect to terminate the Franchise Agreement.

In addition to initial training at our headquarters, we will also provide on-site training for up to three days at your franchise location at our expense. On-site training will occur after you have taken delivery of your truck(s) but before you open the Franchised Business.

The materials we use in conducting our training program includes our Operations Manual and any other materials that we believe will be beneficial in the training process. There currently are no fixed training schedules; training sessions are held on an as-needed basis. Our training program is conducted as follows:

TRAINING PROGRAM

Column 1 **Subject**	Column 2 **Hours of Classroom Training**	Column 3 **Hours of On-the-Job Training**	Column 4 **Location**
Introduction/Business Model	1.5	0	West Babylon, New York
Marketing - Brand & Marketing Philosophy - Marketing Planning	2	.5	West Babylon, New York
Sales Center Orientation	2	0	West Babylon, New York
On Site Sales Systems -residential -commercial	2	1	West Babylon, New York

Column 1 **Subject**	Column 2 **Hours of Class-room Training**	Column 3 **Hours of On-the-Job Training**	Column 4 **Location**
Franchise Operations -Schedule Management -Labor scheduling -Customer experience -Marketing execution -AR/AP	3	1	West Babylon, New York
Daily Operations -Trucks -Loading -Dumping -Recycling -Dispatches -Multi-Truck jobs -Safety	3	2	West Babylon, New York
In Field Training	0	24	Franchisee Location

Our instructors include Adam Butler, Robert Palumbo and Myrvin Garnett. All of our instructors have at least ten years of relevant experience and at least five years of experience with us or our affiliate. Mr. Garnett has over 20 years' experience in training co-workers and staff in their respective fields.

While you are operating your Franchised Business, you may request that we provide you with additional on-site assistance or training at your Franchised Business, or we may determine that you need additional on-site assistance or training. If we provide this additional on-site assistance or training, you must pay our then-current per diem fee (currently $500) for each trainer we send to your location and you must reimburse each trainer's expenses while providing the on-site assistance or training, including travel, lodging and meals. (Franchise Agreement – Section 5.4)

You and your manager may be required to attend refresher training during the term of the Franchise Agreement. You are required to pay all expenses you and your attendees incur to attend refresher training, including travel, lodging, and meals. (Franchise Agreement – Section 5.5)

We may designate that attendance at a regional or national meeting is mandatory for you and your manager unless the absence is excused by us. We will not charge a fee to attend the meeting, but you must pay all expenses you and your attendees incur including travel, lodging, meals and applicable wages. We expect that a franchisee meeting will be held on an annual basis.

Computer Systems and Software

You must purchase or lease the computer system we specify in our Operations Manual, including the peripheral equipment and software that we require. Unless we specify the designated supplier for the computer system, you may purchase your computer system from the vendor of your choice. If you currently have computer equipment that you believe meets our specifications, you must submit a description of the computer equipment to us and we must approve of your existing computer system before you use it for the

Franchised Business. We expect that the initial cost for your computer system will be between $1,000 and $3,000.

Your computer system must use the Vonigo customer relationship management software ("CRM Software"), and you must also have software approved by us to accept payment from your customers. The computer system will provide you with the following functions: word processing, email, accounting, reporting and customer relationship management. You must obtain and maintain at all times a high-speed internet connection for your computer system. We will have access to your computer system, including your customer database, at all times. You must make sure that we have independent access at all times, in the manner we specify, and at your cost. We will have the right to collect data associated with your jobs so that we may monitor your progress and help you more efficiently manage your Franchised Business. There are no contractual restrictions on our access to this data, including your customer database. Compiled sales data regarding all Franchised Businesses in the System may be made available to other franchisees and may be included in our Franchise Disclosure Document.

We do not require you to obtain a maintenance contract for your computer hardware, although you may find it beneficial to have this contract. You must have a maintenance contract for the required CRM Software, which we estimate will cost $1,140 annually per desktop user and $420 annually per mobile/truck user. You must also use our review generation software which will cost $140 each month. This software maintains a database for reviews generated following the completion of each job or work order so the reviews can be posted on our website and/or our social media pages.

Your computer hardware and software must be kept up to date based on our specifications. We may require you to purchase other updates and/or upgrades for your computer system or the software you use in the Franchised Business. There is currently no contractual limitation on either the frequency or the cost for you to obtain these updates and/or upgrades. Neither we nor our affiliates will provide you with any maintenance, updates or upgrades for your computer system or any required software. Updates for the Vonigo software are provided by the supplier.

Confidential Operations Manual

Attached to this Disclosure Document as Exhibit F is the Table of Contents of our Operations Manual. The Operations Manual includes approximately 60 pages.

ITEM 12
TERRITORY

Franchise Agreement

We will grant you a Designated Territory within which you will operate your Franchised Business. You will select the zip code from which you will operate the Franchised Business, and your Designated Territory will be established based on that zip code. Your Designated Territory will include a population of approximately 500,000 people. Your Designated Territory will be described on Attachment 2 to your Franchise Agreement using contiguous zip codes, town boundaries, or county boundaries, and may be depicted on a map. We utilize third party companies to gather zip code populous analytics to determine and assign franchise territory populations. We are not responsible for any errors, omissions or changes that are made by third party providers or the United States Postal Service in reference to zip code lines that appear in your Designated Territory. We (and any affiliates that we periodically might have) will not establish, nor allow another franchise owner to establish, another Franchised Business located within your Designated Territory.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

As part of the process of signing a successor Franchise Agreement, we have the right to re-evaluate your then-existing Designated Territory according to certain demographics, including population. Since your Designated Territory includes a certain minimum population, your Designated Territory under the successor Franchise Agreement will be modified to accommodate shifts and changes in population. Our intent is to make the target demographics of your successor Designated Territory similar to the target demographics of your original Designated Territory. A re-evaluation of your Designated Territory may result in your successor Designated Territory being smaller or larger than your original Designated Territory. There are no other circumstances that permit us to alter your Designated Territory.

During the term of the Franchise Agreement, we (and any affiliates that we periodically might have) have the right:

(1) to establish and operate, and grant rights to other franchise owners to establish and operate, Franchised Businesses or similar businesses at any locations outside of the Designated Territory and on any terms and conditions we deem appropriate;

(2) to sell any junk removal and related services identical or similar to, or dissimilar from, those your Franchised Business sells, whether identified by the Proprietary Marks or other trademarks or service marks through any distribution channels we think best (including the internet), located or operating outside of the Designated Territory;

(3) to purchase or otherwise acquire the assets or controlling ownership of one or more businesses identical or similar to your Franchised Business (and/or franchise, license, and/or similar agreements for these businesses), some or all of which might be located within the Designated Territory;

(4) to be acquired (regardless of the form of transaction) by a business identical or similar to Franchised Businesses, except that if we are acquired by a competing business that has one or more outlets located within your Designated Territory, the acquired businesses will not operate in your Designated Territory using the Proprietary Marks; and

(5) to engage in any other business activities not expressly prohibited by the Franchise Agreement, anywhere.

You may relocate the office space for your Franchised Business only with our prior written approval. We will use our then-current criteria to evaluate your proposed new location, which must be within your Designated Territory. Our approval will not be unreasonably withheld. If, for some reason, you are unable to relocate your Franchised Business' office space to a site within the Designated Territory, we may permit you to relocate to a site outside of your Designated Territory, provided that your new location will be a home-based office or will not be within the designated territory of another franchisee, and the boundaries of your Designated Territory will not change.

You may provide services to clients and prospective clients within your Designated Territory only. You may not engage in any promotional activities or sell any junk removal or related services, whether directly or indirectly, through or on the internet, the world wide web, or any other similar proprietary or common carrier electronic delivery system or any interactive electronic document contained in a central computer linked to communications software service providers or any other devices sent or directed to clients or prospective clients; or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from clients or prospective clients. While you may place

advertisements in printed media and on television and radio that are targeted to clients and prospective clients located in your Designated Territory, you will not be deemed to be in violation of the Franchise Agreement if those advertisements, because of the natural circulation of the printed media or reach of television and radio, are viewed by prospective clients located outside your Designated Territory. You may not make any sales or perform services to clients outside of your Designated Territory unless the client is in an area where a Jiffy Junk business has not yet been established.

We and our affiliates may sell products under the Proprietary Marks within and outside your Designated Territory through any method of distribution other than a dedicated Franchised Business, including sales through channels of distribution such as the internet, catalog sales, telemarketing or other direct marketing sales (together, "alternative distribution channels"). You may not use alternative distribution channels to make sales outside or inside your Designated Territory except as described in the following paragraph and you will not receive any compensation for our sales through alternative distribution channels except as described in the following paragraph.

You may not directly solicit or service clients located outside of your Designated Territory. If we receive a request for services, the request will be forwarded to the proper Franchised Business for handling, which may be the Jiffy Junk business that is closest to the client if the client is in an area that has not yet been purchased by a franchisee. If a request is forwarded to you and you are not able to provide services to the client, whether due to time constraints or other factors, we may forward the request to another franchisee or we may perform the services for the client ourselves and you will not receive any portion of the revenues generated from the provision of these services to the client. All requests, leads and client data generated through our website or toll-free number will remain our property.

Neither we nor our affiliate has established, or presently intends to establish, other franchised or company-owned outlets which sell our proprietary products or services under a different trade name or trademark, but we have the right to do so in the future, without first obtaining your consent. We describe earlier in this Item 12 what we may do anywhere and at any time.

The Franchise Agreement grants you no options, rights of first refusal or similar rights to acquire additional franchises within or outside of the Designated Territory. You must be a multi-unit developer in order to obtain these options or rights.

National Accounts

We have the right to maintain a National Accounts program (we may also refer to these accounts as "Key Accounts" or "Strategic Accounts"). A "National Account" is a customer that has multiple properties across multiple Designated Territories and/or states or another junk hauling service provider that outsources work to us. You may not negotiate any contract terms with a prospective National Account. We will have sole discretion to negotiate terms with the National Account, including pricing. We reserve the right to mark-up negotiated prices with National Accounts to cover rebates and commissions we are contractually obligated to pay vendors related to a National Account. We anticipate that you will participate in the National Accounts program, which will require you to provide products and services to the National Account according to the agreement we have negotiated with them.

We bill and collect payment for all National Accounts jobs completed by you. When we receive payment for a National Account job, we deduct our administrative fees and any mark-up, if applicable, and distribute the balance to you. We may distribute the balance to you via check or credit card in our discretion. The administrative fee for National Account jobs completed by you in your Designated Territory is 10% of the total collected amount, and the administrative fee for all National Account jobs completed by you outside your Designated Territory is 15% of the total collected amount.

If you choose not to participate in the National Account program, or if you are unable or unwilling to provide products and services to the National Account as requested, we, our affiliate or a third party (which may be another franchisee) may enter your Designated Territory and service the National Account, and you are not entitled to any portion of the revenue in these circumstances. We also have the right to terminate your participation in the National Account program if you are not providing products and services according to the terms we have negotiated or if your participation is not otherwise in compliance with our policies.

Multi-Unit Development Agreement

Under the Multi-Unit Development Agreement, we grant you the right to develop and operate the number of Franchised Businesses in the Development Area that is specified in the minimum performance schedule, which is an attachment to the Multi-Unit Development Agreement. The Development Area is typically described in terms of municipal or county boundaries but may be defined by zip codes or as a specified trade area in a municipality. The actual size of the Development Area will vary depending upon the availability of contiguous markets, our long-range development plans, your financial and operational resources, population and market conditions. Our designation of a particular Development Area is not an assurance or warranty that there are a sufficient number of suitable sites for Franchised Businesses in the Development Area for you to meet your minimum performance schedule. The responsibility to locate and prepare a sufficient number of suitable sites is solely yours and we have no obligation to approve sites which do not meet our criteria so you can meet the minimum performance schedule. We will approve or disapprove office locations for future units and any territories for those units using the then-current criteria for sites and territories.

Except as described below, during the term of the Multi-Unit Development Agreement, we and our affiliates will not operate or grant a franchise for the operation of Franchised Businesses to be located within the Development Area. However, we have the right to terminate this exclusivity if you are not in full compliance with all of the terms and conditions of the Multi-Unit Development Agreement and all of the Franchise Agreements signed under it.

Except as expressly limited by the Multi-Unit Development Agreement, we and our affiliates retain all rights with respect to Jiffy Junk Businesses, the Marks, and any products and services anywhere in the world including the right: (a) to offer and sell and to grant others the right to offer and sell the products and services offered at Jiffy Junk Businesses, both within and outside the Development Area, under trade and service marks other than the Marks and under any terms and conditions we deem appropriate; (b) to operate and to grant others the right to operate Jiffy Junk Businesses located outside the Development Area under any terms and conditions we deem appropriate and regardless of proximity to your Franchised Businesses; and (c) to acquire and operate a business operating one or more similar businesses located or operating in your Development Area, but if one of these businesses is located within your Development Area, it will not operate using the Proprietary Marks.

After the last Business under the minimum performance schedule has opened, your Multi-Unit Development Agreement will expire. At this time if we believe that it is desirable to establish additional Jiffy Junk Businesses within the Development Area, and if you complied with the terms of your Multi-Unit Development Agreement and are in compliance with your Franchise Agreements, we will offer you the right to develop these additional Businesses. You must exercise this option, in full, within 60 days after our notice to you. If you do not exercise or you decline this right of first refusal, we shall have the right to sell these development rights to another multi-unit developer or to develop the Businesses ourselves.

To maintain your rights under the Multi-Unit Development Agreement you must have open and in operation the cumulative number of Jiffy Junk businesses stated on the minimum performance schedule by the dates agreed upon in the minimum performance schedule. Failure to do so will be grounds for either a loss of territorial exclusivity or a termination of the Multi-Unit Development Agreement.

In addition, upon the expiration of the term of the Multi-Unit Development Agreement, which is when the last Franchised Business to be developed within the Development Area opens for business, your exclusive rights under the Multi-Unit Development Agreement with respect to the Development Area will terminate and we and our affiliates will have the right to operate and to grant to others development rights and franchises to develop and operate Businesses within the Development Area. This right will be subject only to the territorial rights under the Franchise Agreements signed by you for Franchised Businesses in the Development Area and your right of first refusal to develop additional Businesses, as described above. The Development Area may not be altered unless we and you mutually agree to do so. There are no minimum sales goals, market penetration or other contingency that you must meet to keep the exclusivity of your Development Area, except that you must meet your minimum performance schedule.

You are not granted any other options, rights of first refusal or similar rights to acquire additional Jiffy Junk businesses under the Multi-Unit Development Agreement, except as described above.

ITEM 13
TRADEMARKS

The Franchise Agreement grants you the right to use certain trademarks, trade names, service marks, symbols, emblems, logos and indicia of origin designated by us. These Marks may be used only in the manner we authorize and only for the operation of your Franchised Business. The Multi-Unit Development Agreement does not grant to you any right to use the Marks.

You may not use the Marks as a part of your corporate or other legal name, and you must comply with our instructions in filing and maintaining trade name or fictitious name registrations. You must sign any documents we require to protect the Marks or to maintain their continued validity and enforceability. In addition, you may not directly or indirectly contest the validity of our ownership of or our rights in and to the Marks.

We and our affiliate own the following principal Marks which have been registered with the U.S. Patent and Trademark Office ("USPTO") on the Principal Register:

Mark	Filing Date	Serial Number	Registration Date	Registration Number
JiffyJunk® .com We'll remove your junk in a jiffy	5/14/2015	86/629,160	1/19/2016	4,888,621
Jiffy Junk	8/11/2017	87/565,510	3/20/2018	5,427,629

Our affiliate intends to file all affidavits and to renew its registration for the Proprietary Marks when they become due.

There are no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court, nor is there any pending interference,

opposition, or cancellation proceeding, nor any pending material litigation involving the Proprietary Marks which may be relevant to their use in this state or in any other state.

There are no agreements currently in effect which limit our right to use or to license others to use the Proprietary Marks, except for the trademark license agreement with our affiliate dated September 1, 2017.

There are no infringing uses actually known to us that could materially affect your use of the Proprietary Marks in this state or elsewhere.

You may not directly or indirectly oppose our right to our trademark(s), trade name(s), trade secrets or business techniques that are a part of our business. You must notify us immediately if you learn about a claim against your use of our Marks. We will take whatever action, if any, we deem appropriate, we will also have the right to control any litigation or proceeding regarding the Marks. We have no obligation to defend you or to take any legal action against others with respect to any claim related to your use of our Marks, but we will indemnify you against any losses or damages incurred by you as a result of a successful claim of infringement brought by a third party and related your use of the Proprietary Marks in accordance with the terms of the Franchise Agreement.

We have the right to modify the Proprietary Marks or substitute different proprietary marks for use in identifying the System and the businesses operating under it, at our sole discretion. If we designate any modified or substituted proprietary mark, you must implement the modified or substituted proprietary mark at your own expense.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

There are no patents that are material to the franchise. You do not receive the right to use an item covered by a copyright, but you can use the proprietary and confidential information that is in our Operations Manual. The Operations Manual is described in Item 11 and below. Although we have not filed an application for a copyright registration for the Operations Manual, we claim a copyright and the information in it is proprietary and confidential. You must also promptly tell us when you learn about unauthorized use of this proprietary and confidential information. We are not obligated to take any action but will respond to this information as we think appropriate.

Confidential Operations Manual

You must operate your Franchised Business according to the strict standards, methods, policies and procedures specified in the Operations Manual. One copy of the Operations Manual is loaned to you by us for the term of the Franchise Agreement after you complete our initial training program to our satisfaction. We may make the Operations Manual available electronically.

You must treat the Operations Manual, any other of our manuals which are used in the operation of your Franchised Business, and the information in them as confidential, and must use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record, or otherwise reproduce these materials, in whole or in part, or otherwise give them to any unauthorized person. The Operations Manual will remain our sole property and must be kept in a secure place at the Franchised Business.

We may revise the contents of the Operations Manual, and you must comply with each new or changed standard. You must make sure that the Operations Manual is kept current at all times. In the event of any dispute as to the contents of the Operations Manual, the terms of the master copy maintained by us at our corporate office will be controlling.

Confidential Information

You must not, during the term of the Franchise Agreement or after the term of the Franchise Agreement, communicate, divulge or use for the benefit of any other person, partnership, association, or corporation any confidential information, knowledge or know-how concerning the methods of operation of the Franchised Business which may be communicated to you or which you may learn because of your operation under the terms of the Franchise Agreement. Confidential information includes System standards, market research, advertising and promotional campaigns, approved suppliers, operating results of Jiffy Junk businesses, proprietary software (if we choose to develop this or have it developed for us), the terms of your Agreement with us, the Operations Manual, graphic designs and other intellectual property, and your client list. You may divulge this confidential information only to those of your employees who have access to and who operate your Franchised Business. Any and all information, knowledge, know-how, techniques and other data which we designate as confidential will be deemed confidential for purposes of the Franchise Agreement.

At our request, you must have your manager and any personnel having access to any of our confidential information sign agreements that say that they will maintain the confidentiality of information they receive in connection with their employment by you at your Franchised Business. The agreements must be in a form satisfactory to us, including specific identification of us as a third-party beneficiary of the covenants with the independent right to enforce them and that they prohibit any direct or indirect ownership in a competing business.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Your Franchised Business must be under the direct supervision at all times of one full-time manager approved by us. If you are an individual, we recommend that you be the person who acts as manager, but the manager can be any person so long as they have been approved and trained by us. All managers must successfully complete our initial training program, work full-time, and be personally approved by us. During the term of the Franchise Agreement, you and your manager are prohibited from actively participating in any other business during the required hours of operation of the Franchised Business, unless you have our written approval to do so. There is no requirement that a manager own equity in you or the Franchised Business.

Your manager and all other personnel who will have access to our proprietary and Confidential Information and training must sign our Confidentiality and Non-Competition Agreement, which is attached to our Franchise Agreement as Attachment 3. We will be a third-party beneficiary of each agreement with the independent right to enforce the agreement's terms. If your Franchised Business is owned by an entity, all owners of the entity must personally sign the Franchise Agreement as a Principal. If you are a married individual, your spouse must sign our Spousal Guaranty, which is attached to our Franchise Agreement as Attachment 8.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must operate the Franchised Business and perform all services in accordance with the operating guidelines and quality standards that we establish. You must not change the standards, specifications and procedures without our prior written consent. You must operate your business during the hours set by us, which may vary from territory to territory.

You may sell junk removal services that are approved by us and which strictly conform to our Operations Manual. All products and services approved by us must be offered for sale on a continuous basis at your Franchised Business at the time and in the manner required by us. No sale of any product or service except those products or services approved by us may be solicited, accepted or made at or from your Franchised Business. If requested by us on at least 30 days' notice as part of a general program or standardization effort by us, the marketing of a particular product or service must be discontinued. Then this product or service is no longer an approved product or service.

We have the unlimited right to change the types of authorized goods and services. You may not solicit business directly from any National Account, as described in Item 12. We do not impose any other restrictions in the Franchise Agreement or otherwise, as to the goods or services that you may offer or sell or as to the customers to whom you may offer or sell, except as described in Item 12.

The System may periodically be supplemented, improved or modified by us. You must comply with all of our reasonable requirements concerning modifications to the System, including offering and selling new or different products or services as specified by us.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

Provision	Article in Franchise Agreement	Summary
a. Term of the franchise	Article 4	10 years
b. Renewal or extension of the term	Article 4	Additional successor term of 10 years, subject to performance of contractual requirements
c. Requirements for franchisee to renew or extend	Article 4	The grant of a successor term is automatic. You must be in compliance with Franchise Agreement, sign successor Franchise Agreement, sign release, pay then-current successor agreement fee (not currently assessed). We may modify the boundaries of your Designated Territory for your successor term.

Provision	Article in Franchise Agreement	Summary
		You may be asked to sign a contract with materially different terms and conditions than your original contract, but the fees in the successor agreement will not be greater than the fees that we then impose on similarly situated franchisees signing successor agreements.
d. Termination by franchisee	None	You may seek to termination upon any grounds available by state law.
e. Termination by franchisor without cause	Not Applicable	Not applicable
f. Termination by franchisor with cause	Article 17	We may terminate the Franchise Agreement if you are in default under the Agreement and do not cure the default (if it is curable)
g. "Cause" defined – curable defaults	Article 17	Breach of Franchise Agreement and other grounds, such as failure to pay fees when due, misuse of Proprietary Marks, sale of an unapproved service, unsatisfactory performance, filing false reports, failure to meet minimum sales requirements
h. "Cause" defined – non-curable defaults	Article 17	Breach of Franchise Agreement, such as filing for bankruptcy or assignment for the benefit of creditors; receivership; insolvency; foreclosure; if your business is dissolved; repeated defaults; repeated failures to meet sales requirements; unauthorized transfer of the franchise; defaults under property or vehicle leases; illegal or misleading business acts; you, your owners, officer or directors are convicted of a criminal offense
i. Franchisee's obligations on termination/non-renewal	Article 18	Obligations include discontinue using confidential information and materials, return Operations Manual, payment of amounts due (including liquidated damages)
j. Assignment of contract by franchisor	Article 16	No restriction on our right to transfer, however no assignment will be granted except to an assignee who, in our good faith

Provision	Article in Franchise Agreement	Summary
		judgment, is willing and able to assume our obligations.
k. "Transfer" by franchisee – defined	Article 16	Includes a transfer of all or substantially all of the assets of your business
l. Franchisor approval of transfer by franchisee	Article 16	We have the right to approve transfers in writing.
m. Conditions for franchisor approval of transfer	Article 16	Includes payment of money owed, you are not in default, sign release, we approve sales agreement, we have been given a right of first refusal, transferee qualifies and completes training to our satisfaction, transferee signs new agreement, payment of the transfer fee, all trucks that meet our requirements are transferred to the new franchisee
n. Franchisor's right of first refusal to acquire franchisee's business	Article 16	We can match any offer
o. Franchisor's option to purchase franchisee's business	Article 18	Upon expiration or termination, we can buy all or a portion of the assets of your Franchised Business
p. Death or disability of franchisee	Article 16	Franchised Business must be assigned to approved buyer within six months
q. Non-competition covenants during the term of the franchise	Article 15	Includes prohibition on owning or operating business which sells similar services (subject to state law)
r. Non-competition covenants after the franchise is terminated or expires	Article 15	Includes prohibition on owning or operating business which sells similar services for two years and located within 25 miles of any unit in the System (subject to state law)
s. Modification of the agreement	Article 20	Must be in writing by both parties
t. Integration/merger clause	Section 20	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable. Notwithstanding the foregoing, nothing in this

Provision	Article in Franchise Agreement	Summary
		or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
u. Dispute resolution by arbitration or mediation	Article 20	Arbitration in Suffolk County, New York, subject to state law
v. Choice of forum	Article 20	Suffolk County, New York, subject to state law
w. Choice of law	Article 20	New York, subject to state law

THE MULTI-UNIT DEVELOPER RELATIONSHIP

Provision	Section in Multi-Unit Development Agreement	Summary
a. Length of the franchise term	6	Length of the minimum performance schedule
b. Renewal or extension of the term	5	After all Businesses have been developed, we will negotiate in good faith another Multi-Unit Development Agreement
c. Requirements for multi-unit developer to renew or extend	Not applicable	Not applicable
d. Termination by multi-unit developer	Not applicable	You may seek termination upon any grounds available by state law.
e. Termination by franchisor without cause	Not applicable	Not applicable
f. Termination by franchisor with cause	9	We can terminate if you commit any one of several listed violations

Provision	Section in Multi-Unit Development Agreement	Summary
g. "Cause" defined – curable defaults	9	If you use the Marks or System without our consent; participating in a Competitive Business; failure to pay money to us when due; you begin developing a Franchised Business before all of your pre-development obligations are met; failure to obtain our consent when required; you open any Franchised Business before a Franchise Agreement for that has been signed
h. "Cause" defined – non-curable defaults	9	Failure to meet your minimum performance schedule; failure to comply with applicable laws; if all of your Franchised Businesses stop operating; unauthorized transfer; you make a material misrepresentation to us; conviction by you or your owners of an indictable offense; bankruptcy or insolvency; if a Franchise Agreement with us is terminated according to its terms (this is a cross-default provision)
i. Multi-unit developer's obligations on termination/ non-renewal	10	You must stop selecting sites for Businesses and you may not open any more Businesses
j. Assignment of contract by franchisor	11	No restriction on our right to transfer, however no assignment will be granted except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Multi-Unit Development Agreement.
k. "Transfer" by multi-unit developer – defined	11	Includes transfer of any interest in the Multi-Unit Development Agreement
l. Franchisor approval of transfer by multi-unit developer	11	We have the right to approve all transfers, our consent not to be unreasonably withheld
m. Conditions for franchisor approval of transfer	11	Conditions for transfer include not being in default, at least 25% of all Businesses required to be developed are open or under construction, all debts are paid, the buyer meets our current criteria for new multi-unit developers, you sign a general release, payment of transfer fee, buyer personally guarantees all obligations

Provision	Section in Multi-Unit Development Agreement	Summary
n. Franchisor's right of first refusal to acquire multi-unit developer's business	11	We have the right to match the offer to purchase your business
o. Franchisor's option to purchase multi-unit developer's business	Not applicable	Not applicable
p. Death or disability of multi-unit developer	11	Interest must be transferred to an approved party within six months
q. Non-competition covenants during the term of the franchise	12	Includes prohibition on owning or operating business which sells similar services (subject to state law)
r. Non-competition covenants after the franchise is terminated or expires	12	Includes prohibition on owning or operating business which sells similar services for two years and located within 25 miles of any unit in the System (subject to state law)
s. Modification of the agreement	18	No modifications except by mutual agreement of the parties
t. Integration/merger clause	18	Only the terms of the Multi-Unit Development Agreement are binding (subject to state law). Any representations or promises outside of the Disclosure Document and Multi-Unit Development Agreement may not be enforceable. Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
u. Dispute resolution by arbitration or mediation	19	Arbitration in Suffolk County, New York, subject to state law
v. Choice of forum	19	Suffolk County, New York, subject to state law
w. Choice of law	19	New York, subject to state law

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote our franchise.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Robert Palumbo at 615 Sunrise Highway, West Babylon, New York, 11704, and (844)543-3966, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For years 2020 - 2022

Column 1 **Outlet Type**	Column 2 **Year**	Column 3 **Outlets at the Start of the Year**	Column 4 **Outlets at the End of the Year**	Column 5 **Net Change**
Franchised	2020	4	7	+3
	2021	7	7	0
	2022	7	5	-2
Company-Owned*	2020	7	6	-1
	2021	6	6	0
	2022	6	6	0
Total Outlets	**2020**	**11**	**13**	**+2**
	2021	**13**	**13**	**0**
	2022	**13**	**11**	**-2**

*The Company-Owned Outlets in the chart above are owned and operated by our affiliates.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2020 - 2022

Column 1 **State**	Column 2 **Year**	Column 3 **Number of Transfers**
None	2020	0
	2021	0
	2022	0
Total	**2020**	**0**
	2021	**0**
	2022	**0**

Table No. 3
Status of Franchised Outlets
For years 2020 - 2022

Col. 1 **State**	Col. 2 **Year**	Col. 3 **Outlets at Start of Year**	Col. 4 **Outlets Opened**	Col. 5 **Termina-tions**	Col. 6 **Non-Re-newals**	Col. 7 **Reacquired by Franchi-sor**	Col. 8 **Ceased Op-erations – Other Rea-sons**	Col. 9 **Outlets at End of the Year**
Connecticut	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	1	0	0	0	0
Georgia	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
New Jersey	2020	0	1	0	0	0	0	1
	2021	1	1	0	0	0	0	2
	2022	2	1	0	0	0	0	3
New York	2020	2	1	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	3	0	0	0	0

Col. 1 **State**	Col. 2 **Year**	Col. 3 **Outlets at Start of Year**	Col. 4 **Outlets Opened**	Col. 5 **Termina-tions**	Col. 6 **Non-Re-newals**	Col. 7 **Reacquired by Franchi-sor**	Col. 8 **Ceased Op-erations – Other Rea-sons**	Col. 9 **Outlets at End of the Year**
North Carolina	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	1	0
	2022	0	0	0	0	0	0	0
Texas	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Total	**2020**	**4**	**3**	**0**	**0**	**0**	**0**	**7**
	2021	**7**	**1**	**0**	**0**	**0**	**1**	**7**
	2022	**7**	**2**	**4**	**0**	**0**	**0**	**5**

Table No. 4
Status of Company-Owned Outlets
For years 2020 - 2022

Col. 1 **State**	Col. 2 **Year**	Col. 3 **Outlets at Start of Year**	Col. 4 **Outlets Opened**	Col. 5 **Outlets Reac-quired from Franchisee**	Col. 6 **Outlets Closed**	Col. 7 **Outlets Sold to Franchi-see**	Col. 8 **Outlets at End of the Year**
New York	2020	6	0	0	0	0	6
	2021	6	0	0	0	0	6
	2022	6	0	0	0	0	6
Virginia	2020	1	0	0	1	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
Total	**2020**	**7**	**0**	**0**	**1**	**0**	**6**
	2021	**6**	**0**	**0**	**0**	**0**	**6**
	2022	**6**	**0**	**0**	**0**	**0**	**6**

The outlets in the above chart are owned and operated by our affiliates.

Table No. 5
Projected Openings as of August 31, 2022

Column 1 **State**	Column 2 **Franchise Agreements Signed but Outlet Not Opened**	Column 3 **Projected New Franchised Outlets in the Next Fiscal Year**	Column 4 **Projected New Company-Owned Outlets in the Next Fiscal Year**
Connecticut	0	1	0
Florida	0	4	0
Massachusetts	0	1	0
Georgia	0	1	0
New Jersey	0	4	0
New York	0	8	0
Pennsylvania	0	1	0
Texas	0	2	0
Totals	**0**	**22**	**0**

A list of the names of all franchisees and multi-unit developers and the addresses and telephone numbers of their businesses is provided in Exhibit E to this Disclosure Document when applicable.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee or multi-unit developer who had a business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement or Multi-Unit Development Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document are listed on Exhibit E to this Disclosure Document when applicable. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

During the last three fiscal years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the Jiffy Junk System.

There are no trademark-specific organizations formed by our franchisees that are associated with the Jiffy Junk System.

ITEM 21
FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit G are our audited financial statements for the fiscal years ended August 31, 2022, August 31, 2021, and August 31, 2020.

Our fiscal year end is August 31st.

ITEM 22
CONTRACTS

The Franchise Agreement is attached to this Disclosure Document as Exhibit C. The Multi-Unit Development Agreement is attached to this Disclosure Document as Exhibit D.

ITEM 23
RECEIPTS

Two copies of an acknowledgment of your receipt of this Disclosure Document appear at the end of the Disclosure Document. Please return one signed copy to us and retain the other for your records.

EXHIBIT A TO THE DISCLOSURE DOCUMENT

AGENTS FOR SERVICE OF PROCESS/STATE ADMINISTRATORS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws and for service of process. We may not yet be registered to sell franchises in any or all of these states.

If a state is not listed Jiffy Junk Franchising LLC has not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed below in which Jiffy Junk Franchising LLC has appointed an agent for service of process.

There may also be additional agents appointed in some of the states listed.

State	State Agency	Agent for Service of Process
CALIFORNIA	Commissioner of Business Oversight Department of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of Business Oversight
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce

State	State Agency	Agent for Service of Process
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222 Phone	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, 5th Floor Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
RHODE ISLAND	Department of Business Regulation Securities Division 1511 Pontiac Avenue, Building 68-2 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of South Dakota Division of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

EXHIBIT B TO THE DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDA

ADDENDUM TO THE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, AND MULTI-UNIT DEVELOPMENT AGREEMENT REQUIRED BY THE STATE OF ILLINOIS

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in the franchise agreement which designates jurisdiction or venue outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your right upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

The parties hereto have duly executed, sealed and delivered this Addendum dated this day of ____ _____.

FRANCHISEE:
_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
JIFFY JUNK FRANCHISING LLC

By:_____
Name:_____
Title:_____

PRINCIPALS:

_____
Name:_____

_____
Name:_____

ADDENDUM REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK, 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the "Summary" section of Item 17(d), titled "Termination by franchisee":

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the "Summary" section of Item 17(j), titled "Assignment of contract by franchisor":

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

8. The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of forum", and Item 17(w), titled "Choice of law":

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

NEW YORK RIDER TO JIFFY JUNK FRANCHISING LLC
FRANCHISE AGREEMENT

THIS RIDER TO THE FRANCHISE AGREEMENT FOR NEW YORK ("Rider") is entered into by and between Jiffy Junk Franchising LLC, a New York limited liability company, with its principal office at 615 Sunrise Highway, West Babylon, New York, 11704 ("we," "us" or "our") and _____ ("you" or "your"), whose principal business address is _____ _____.

WHEREAS, we and you have entered into a certain Franchise Agreement dated ___ _____, 20___ which grants you the right to operate a Jiffy Junk franchise (the "Franchise Agreement");

WHEREAS, you are domiciled in New York and the Jiffy Junk franchise will be located in New York, and/or any of the offering or sales activity relating to the Franchise Agreement occurred in the State of New York; and

WHEREAS, in recognition of the requirements of the General Business Law of the State of New York, Article 33, Sections 680-695, we and you desire to amend certain terms of the Franchise Agreement in accordance with the terms and conditions contained in this Rider.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained in the Franchise Agreement and this Rider and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, we and you agree as follows:

1. Sections 4.2.2 and 16.2.1 of the Franchise Agreement are amended by adding the following language to each Section:

> However, to the extent required by applicable law, notwithstanding the signing of a General Release, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force.

2. Section 16.1 of the Franchise Agreement is amended by adding the following language to this Section:

> However, to the extent required by applicable law, Franchisor will not transfer and assign its rights and obligations under the Franchise Agreement unless the transferee will be able to perform the Franchisor's obligations under the Franchise Agreement, in Franchisor's good faith judgment.

3. Article 20 of the Franchise Agreement is amended by adding the following language:

> New York Law governs any cause of action which arises under the New York General Business Law, Article 33, Sections 680-695. The provisions of this Franchise Agreement shall not be deemed a waiver of any rights conferred upon Franchisee by Article 33 of the General Business Law of the State of New York and the regulations issued thereunder.

4. In the event of any conflict between a provision of the Franchise Agreement and this Rider, the provision of this Rider shall control. All terms which are capitalized in this Rider and not otherwise defined, will have the meanings given to them in the Franchise Agreement. Except as amended by this Rider, the Franchise Agreement is unmodified and in full force and effect in accordance with its terms.

5. Each provision of this Rider will be effective only to the extent that the jurisdictional requirements of the New York General Business Law, Article 33, Sections 680-695 are met independent of this Rider.

The parties hereto have duly executed this New York Rider to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
JIFFY JUNK FRANCHISING LLC

By:_____
Name:_____
Title:_____

PRINCIPALS:

_____
Name:_____

_____
Name:_____

EXHIBIT C TO THE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

JIFFY JUNK FRANCHISING LLC

FRANCHISE AGREEMENT

_____

FRANCHISEE

_____

DATE OF AGREEMENT

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8 Spousal Guaranty

JIFFY JUNK FRANCHISING LLC

FRANCHISE AGREEMENT

THIS AGREEMENT is made and entered this day of _____, between the franchisor Jiffy Junk Franchising LLC, a New York limited liability company with its principal address at 615 Sunrise Highway, West Babylon, New York, 11704 (herein referred to as "we", "us" or "our") and _____, a(n) _____ whose principal address is _____, and _____'s principal(s) _____, an individual residing at _____, and _____, an individual residing at _____ ("Principal(s)"), who shall be collectively referred to in this Agreement as "you" or "your".

W I T N E S S E T H:

WHEREAS, we and our affiliate have developed a format and system (the "System") that includes a method of providing junk removal and hauling services for residential and commercial clients; distinct color scheme and custom lettered vehicles; materials and supplies; methods, specifications and procedures for operations; procedures for management control; training and assistance; and merchandising, advertising and promotional programs, and client service procedures, all of which may be changed, improved and further developed using our website, trade name, trademarks and service marks, and phone number (collectively, the "Proprietary Marks");

WHEREAS, you desire to enter into the business of owning and operating a business using the System and according to our requirements ("Franchised Business") and wish to obtain a franchise from us for that purpose, as well as to receive the training and other assistance provided by us in connection therewith;

WHEREAS, you understand and acknowledge the importance of, and benefits to be derived from, the System, as well as our high standards of quality and service and the necessity of operating the Franchised Business hereunder in conformity with our standards and specifications;

WHEREAS, you desire to obtain a franchise to use the System and the Proprietary Marks at the location described in Attachment 2 hereto, pursuant to the provisions hereof, and you have had a full and adequate opportunity to be thoroughly advised of the terms and conditions of this Franchise Agreement by counsel of your own choosing and you represent and warrant that you have the business experience and financial ability to operate a Franchised Business;

WHEREAS, you acknowledge that you have read this Agreement and our Franchise Disclosure Document and that you understand and accept the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain uniform high standards of quality at all locations and to protect the goodwill of the Proprietary Marks;

WHEREAS, we expressly disclaim the making of any warranty or guarantee, expressed or implied, oral or written, regarding the potential revenues, profits or success of the business venture contemplated by this Agreement;

WHEREAS, you acknowledge that you have no knowledge of, nor have you received nor relied upon, any representations or warranties by us, our officers, directors, shareholders or representatives about the franchise offered hereunder, about us or our franchising programs and policies that are contrary to the

statements in our Franchise Disclosure Document or to the terms of this Agreement, or regarding the potential revenues, profits or success of the business venture contemplated hereunder; and

WHEREAS, you acknowledge that this Agreement places detailed and substantial obligations on you, including strict adherence to our reasonable present and future requirements regarding facilities, equipment, suppliers, operating procedures, management protocols and procedures, merchandising strategies, sales promotion programs and related matters. You acknowledge that future improvements, changes and developments in the System may require additional expense to be undertaken by you.

BEFORE SIGNING THIS AGREEMENT, YOU SHOULD READ IT CAREFULLY WITH ASSISTANCE OF LEGAL COUNSEL.

NOW, THEREFORE, for and in consideration of the mutual undertakings, covenants, premises and commitments contained hereinabove and below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **IT IS AGREED**, as follows:

ARTICLE 1
DEFINITIONS

1.1 In addition to any other terms defined in this Agreement, the following definitions shall govern this Agreement:

1.1.1 "Agreement" means this document, including all attachments hereto, as they may be modified from time to time, and documents referenced and incorporated herein, and any documents or agreements modifying the System.

1.1.2 "Copyrights" means all work rendered in a tangible medium of expression as defined under U.S. Copyright Law, 17 U.S.C. Sec. 101, *et seq.*, that relates to the Franchised Business, whether published or unpublished, whether confidential or not, whether created by us or one (1) or more of our franchisees, assigned hereunder to and owned by us and licensed for use by us as part of the Franchised Business under this Agreement, including without limitation, the Confidential Operations Manual.

1.1.3 "Franchised Business" means the System as licensed to you hereunder to use from within your Designated Territory.

1.1.4 "Know How" means our: (a) trade secrets and know-how, whether existing now or created during the term of this Agreement by us and/or one (1) or more of our franchisees (and assigned back to us), as conveyed to you, that relates to, *inter alia*, our services and/or processes, marketing practices, and business methods, affairs, tools and techniques, as well as including our client or prospective client lists and trade relationships including pricing information, which tends to give us and our network of franchisees a competitive edge over others who provide the same or similar products or services in the field of full service junk removal; (b) inventions that may be protected by the filing of U.S. patent applications under Title 35 of the United States Code and/or foreign statutory counterparts; and (c) all unpublished or otherwise confidential work that has been rendered and "work made for hire" protected under Title 17 of the United States Code and other applicable foreign copyright statutes. Know How need not take the form of any particular tangible medium of expression but may also be found or contained in the form of records, magnetic media, papers, photographs, catalogs, books, cassettes, videotapes, computer files, or stored or fixed on computer hard or soft disks or diskettes.

1.1.5 "Proprietary Marks" means all the trademarks, service marks, logos, emblems, and indicia of origin licensed to and used or contemplated to be used by us and/or one (1) or more of our

franchisees, including, but not limited to, the trade dress, the mark "Jiffy Junk", and other such trade names, service marks and trademarks as may be designated now or hereafter by us.

1.1.6 "Proprietary Properties" means the Copyrights, Know How, and Proprietary Marks.

1.1.7 "Services" means the provision of junk removal and hauling services for residential and commercial clients, including cleaning out apartments, homes, garages, attics, and offices; appliance removal; hoarding clean-up; furniture removal; and estate clean out. Services specifically exclude household waste removal and the hauling of any liquids, gases, flammable waste or hazardous waste.

1.1.8 "Service Vehicle" means the truck you are required to obtain by lease or purchase and maintain for use in the operation of the Franchised Business.

1.1.9 "Designated Territory" means the territory granted to you as shown on Attachment 2 hereto containing a population of approximately five hundred thousand (500,000) people.

ARTICLE 2
GRANT OF FRANCHISE AND LICENSE

2.1 Subject to the provisions of this Agreement and all documents or other agreements ancillary thereto (the "Agreement"):

2.1.1 We hereby grant to you, and you hereby accept, the franchise and license to operate a Franchised Business within the Designated Territory as shown on Attachment 2 hereto in accordance with our specifications and subject to our approval.

2.1.2 You agree to use the Proprietary Properties solely for the Franchised Business and for no other purpose.

2.1.3 You may provide services to clients and prospective clients within your Designated Territory only. You may not engage in any promotional activities or sell any junk removal or related services, whether directly or indirectly, through or on the internet, the world wide web, or any other similar proprietary or common carrier electronic delivery system or any interactive electronic document contained in a central computer linked to communications software service providers or any other devices sent or directed to clients or prospective clients; or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from clients or prospective clients. While you may place advertisements in printed media and on television and radio that are targeted to clients and prospective clients located in your Designated Territory, and you will not be deemed to be in violation of this Agreement if those advertisements, because of the natural circulation of the printed media or reach of television and radio, are viewed by prospective clients located outside your Designated Territory, you may not make any sales or perform services to clients outside of your Designated Territory unless the client is in an area where a Jiffy Junk business has not yet been established.

2.1.4 You may not directly solicit or service clients located outside of your Designated Territory. If we receive a request for services, the request will be forwarded to the proper Jiffy Junk business for handling, which may be the Jiffy Junk business that is closest to the client if the client is in an area that has not yet been purchased by a franchisee. If a request is forwarded to you and you are not able to provide services to the client, whether due to time constraints or other factors, we may forward the request to another franchisee or we may perform the services for the client ourselves and you will not receive any

portion of the revenues generated from the provision of these services to the client. All requests, leads and client data generated through our website or toll-free number will remain our property.

2.1.5 If a natural disaster (a major destructive event resulting from natural processes including floods, volcanic eruptions, earthquakes, tsunamis, landslides, avalanches, drought, wildfires, tornadoes, and hurricanes or other types of extreme storms) occurs within your Designated Territory, we have the right to enter the territory, or have another franchisee enter the territory, and contract for and assist with junk removal services. If we do so, or if we direct another franchisee to do so, you shall be paid twenty percent (20%) of the gross revenues received by us or the other franchisee for the Jiffy Junk services we or the other franchisee performed.

ARTICLE 3
YOUR RESTRICTIONS AND OUR RESERVED RIGHTS

3.1 Your Restrictions

Your activities are limited to offering and selling those Services permitted under the System from and within the Designated Territory. You have been granted no right of ownership in and/or to any part or all of the Proprietary Properties.

3.2 Rights Reserved to Us

We reserve the right: (i) of ownership in, and control over the Proprietary Properties; (ii) to grant additional franchises, whether similar or dissimilar to the franchise granted hereby, anywhere we deem reasonably appropriate, subject to the limitations set forth below; (iii) to engage fully and freely and without limitation in each and every aspect of the business of selling related services, products and equipment; (iv) to offer to the public-at-large, separately, jointly or with others, all related services and/or products of every type and kind; and (iv) to employ and exploit the Proprietary Marks, Copyrights, and Know How in connection therewith.

We (and any affiliates that we periodically might have) reserve the right:

(a) to establish and operate, and grant rights to other franchise owners to establish and operate, Franchised Businesses or similar businesses at any locations outside of the Designated Territory and on any terms and conditions we deem appropriate;

(b) to sell any junk removal and related services identical or similar to, or dissimilar from, those your Franchised Business sells, whether identified by the Proprietary Marks or other trademarks or service marks through any distribution channels we think best (including the internet) located or operating outside of the Designated Territory;

(c) to purchase or otherwise acquire the assets or controlling ownership of one (1) or more businesses identical or similar to the Franchised Business (and/or enter into franchise, license, and/or similar agreements for such businesses), some or all of which might be located within the Designated Territory;

(d) to be acquired (regardless of the form of transaction) by a business identical or similar to "Jiffy Junk", even if the other business operates, franchises and/or licenses competitive businesses anywhere; provided, however, that if we are acquired by a competing business that has one or more outlets located within your Designated Territory, the acquired businesses will not operate in your Designated Territory using the Proprietary Marks; and

(e) to engage in any other business activities not expressly prohibited by this Agreement, anywhere.

3.3 National Accounts

We maintain a National Accounts program (we may refer to these accounts as "Key Accounts" or "Strategic Accounts"). A National Account is a customer that has multiple properties across multiple Designated Territories and/or states or another junk hauling service provider that outsources work to us. You may not negotiate any contract terms with a prospective National Account. We will have sole discretion to negotiate terms with the National Account, including pricing, and we reserve the right to mark-up the negotiated prices for any or all National Accounts, in our sole discretion, to cover rebates and commissions we are contractually obligated to pay to vendors related to National Accounts. We anticipate that you will participate in the National Accounts program, which will require you to provide products and services to the National Account according to the agreement we have negotiated with them.

We will bill all National Accounts for work that you perform, and the National Accounts shall pay us directly. Upon receipt of such payments, we will deduct our administrative fee and any mark-up, if applicable, and we will distribute the balance to you. We reserve the make distributions to you via check or credit card in our sole discretion. The administrative fees for National Accounts jobs completed by you in your Designated Territory shall be ten percent (10%) of the total collected amount and shall be fifteen percent (15%) of the total collected amount for jobs completed by you outside your Designated Territory.

If you choose not to participate in the National Account program, or if you are unable or unwilling to provide products and services to the National Account as requested, we, our affiliate, or a third party (which may be another franchisee) may enter your Designated Territory and service the National Account, and you are not entitled to any portion of the revenue in these circumstances. We reserve the right to terminate your participation in the National Account program if you are not providing products and services according to the terms we have negotiated or if your participation is not otherwise in compliance with our policies.

ARTICLE 4
TERM AND SUCCESSOR OPTIONS

4.1 Term

The term of this Agreement shall be ten (10) years commencing on the date hereof, unless sooner terminated in accordance with the provisions of this Agreement (the "Initial Term").

4.2 Successor Option

The option for a successor term of ten (10) years is granted automatically, provided the conditions set forth in this Section 4.2 are met at the expiration of the Initial Term.

4.2.1 You shall have been, throughout the Initial Term of this Agreement, in substantial compliance, and at the expiration of the Initial Term are in full compliance, with this Agreement, your lease or sublease and all other agreements between you and us or companies or persons associated or affiliated with us.

4.2.2 We shall, within six (6) months before the expiration of the Initial Term, provide you with any documents that you are required to execute for the successor term, which documents may include, but are not limited to, a general release, our then-current Franchise Agreement and all other ancillary agreements, instruments, and documents then customarily used by us in the granting of business

franchises (all of which will contain terms and fees substantially the same as those included in Franchise Agreements being executed at the time the successor term begins, and which will not obligate you to pay a further initial franchise fee (the "Successor Franchise Documents").

4.2.3 You shall execute the Successor Franchise Documents and all other documents and instruments that we require in order to enter into a successor franchise agreement. You shall return the executed Successor Franchise Documents to us by no later than the expiration date of the Initial Term. If we do not receive the executed documents and successor agreement fee, if applicable, by such expiration date, then this Agreement shall expire, you shall have no further rights under this Agreement, and you shall comply with the provisions of Article 18 and any other provisions that survive termination or expiration of this Agreement.

4.2.4 We will re-evaluate your then-current Designated Territory to determine whether there have been any shifts in demographics that would warrant modifying your Designated Territory. Such demographic shifts include, but are not limited to, changes in population. Our intent in doing such re-evaluation of your Designated Territory is to make the target demographics of your Designated Territory for the successor term similar to the target demographics of your Initial Term. You understand and acknowledge that although we will use our best efforts to ensure that the demographics included in your successor Designated Territory are similar to the original Designated Territory, (a) your total Designated Territory size for the successor term may be smaller or larger than your original Designated Territory; (b) we cannot guaranty that your successor Designated Territory will provide you with the same or similar results as with your original Designated Territory; and (c) we make no guaranty that the demographics included in your successor Designated Territory will earn you any particular level of success.

4.2.5 After we have received from you all executed Successor Franchise Documents, we shall inspect your Franchised Business to determine the extent of any required updating, remodeling, redecorating or other refurbishment for the Franchised Business in order to bring the Franchised Business up to our then-current image and standards for new Jiffy Junk Franchised Businesses. We will provide notice to you of the modifications you shall be required to make, and you shall have six (6) months from the date of such notice to effectuate such modifications. If you fail or refuse to make the required modifications, we shall have the right to terminate the Successor Franchise Documents.

4.3 Refusal to Grant a Successor Term

We can refuse to grant you a successor term for your franchise if your lease, sublease or other document by which you have the right to occupy the premises of the Franchised Business is not extended to cover the successor term or if you do not have a written commitment from your landlord to renew the lease or sublease for a period at least equal to the successor term before your successor term is to take effect. We may also refuse to grant you a successor term for your franchise under other circumstances, including, but not limited to, your failure to substantially comply with the terms of this Agreement, your failure to pay amounts owed to us or our affiliates when due, or your failure to cure of any defaults incurred during the Initial Term of this Agreement, if applicable.

4.4 Successor Term Under Law

Even though we decline to offer a successor term for your franchise, it is possible that we can be required to do so under a law, rule, regulation, statute, ordinance, or legal order that is applicable at the time. If that happens, to the extent it is allowed by the concerned law, rule, regulation, statute, ordinance, or order, your successor term will be subject to the conditions of the Franchise Agreement we are using for new franchisees at the time the successor period begins. If we are not then offering new franchises, your successor period will be subject to the terms in the Franchise Agreement that we indicate. If for any reason that is not allowed, the successor term will be governed by the terms of this Agreement.

4.5 Your Election Not to Enter into a Successor Franchise Agreement

For the purposes hereof, you shall be deemed to have irrevocably elected not to enter into a successor term for the franchise hereunder (and the option to do so shall thereupon terminate) if you fail to execute and return to us the Successor Franchise Documents within the timeframe specified in Section 3.2, or if you provide written notice to us within the final sixty (60) days of the Initial Term indicating that you do not wish to enter into a successor franchise agreement.

ARTICLE 5
OUR DUTIES

5.1 Confidential Operations Manual and Intranet

5.1.1 We shall, in conjunction with our training program and in conformity with the terms and conditions of this Agreement, provide to you on loan one (1) copy of our Operations Manual. Use of any part or all of the Operations Manual shall be only as permitted under this Agreement during the Initial Term and any Successor Term.

5.1.2 At our option, we may post the Operations Manual and other communications on a restricted intranet or other website to which you will have access. If we do so, you must periodically monitor the site for any updates to the Operations Manual or other standards, specifications and procedures. Any passwords or other digital identifications necessary to access the Operations Manual on such a site will be deemed to be part of the Confidential Information. Further, you agree that you will establish the channels of communication with us and with your clients as required by us from time to time, including email, internet and other electronic forms of communication, and that you will acquire and maintain any computer or other components necessary for the transmission of such communications.

5.1.3 We may produce and distribute communications to our franchisees via our intranet system and, if an intranet system is developed, all franchisees must subscribe to this intranet service. To access our intranet, you will be provided with a password. This password is to be considered confidential information and is to be revealed only to those of your employees who must have access to the intranet. In the event you lose the password, or the password is otherwise compromised, you shall notify us of such event as soon as practicable, and we will take steps necessary to provide you with a new password for access to the intranet.

5.1.4 We may establish one or more websites to advertise, market and promote Franchised Businesses, the Services they offer and sell, and/or our franchise opportunity. When we establish such a website, we will designate a "click through" subpage within the website for each Franchised Business, as described in Section 11.7. We will implement and periodically modify standards for any such website and individual web pages. You will not establish a website for your Franchised Business, other than the "click through" subpage designated to describe your Franchised Business which is located within our website.

5.2 Additional Materials

In addition to any other items offered to you, we may from time to time furnish to you other documents and things comprising Copyrights or Know How, including instructions, data, materials, forms or other information developed by us in connection with the operation of the System. We shall have the right to incorporate such matters in our Operations Manual and you shall be required to conduct the operations of the Franchised Business in accordance therewith.

5.3 Initial Training

With respect to new franchisees, we will provide a mandatory training program (the "Training Program") of approximately three (3) days' duration at our headquarters, or at such location(s) as we shall designate. Such Training Program will include operational, management, and marketing training pertaining to the System. The Training Program will be provided at no additional charge to you, your manager, and one (1) additional employee, for a maximum of three (3) trainees. If you wish to send additional trainees to the Training Program, whether before your Franchised Business opens or while it is operating, you agree to pay our then-current training fee for each additional trainee.

5.3.1 We will pay no compensation for any services performed by any trainee in the course of training. You shall pay all reasonable expenses incurred in connection with and during such training, including, but not limited to, transportation, meals, lodging, wages, and other expenses.

5.3.2 We reserve the right to determine the subject matter and content of our Training Program.

5.3.3 We reserve the right to elect or decline to train any number of individuals representing any number of franchises individually, or at the same time.

5.3.4 In the event of a valid and complete assignment of the Franchised Business by you to a third party (as provided for hereafter), we shall train such third party in the same manner and under the same circumstances as those described above, except that the new franchisee must pay to us our then-current training fee for each individual required or designated to be trained (in addition to any fees or other requirements attendant to the assignment).

5.3.5 In the event you hire any personnel to sell or provide Services pursuant to the requirements of this Agreement and the specifications set forth in the Operations Manual, you shall be solely responsible for training said personnel; however, we reserve the right to review such training to ensure that your personnel are trained to our satisfaction. For any manager or replacement manager hired by you during the term of this Agreement, we may require that such manager be sent to our Training Program to be trained directly by us and our personnel. All costs associated with sending the manager to the Training Program, including the costs of the program itself, shall be borne by you. The manager must complete the Training Program to our satisfaction. Before any manager may begin to act in a management role in your Franchised Business, the manager must be reviewed and approved by us.

5.3.6 We may waive the training requirements for any of your employees if we shall determine, in our sole discretion, that any such employee has the skill, experience and/or training necessary to operate in accordance with the System.

5.3.7 In addition to the Training Program described above, we will also provide on-site training for up to three (3) days, at our expense. The training at your location will be scheduled after you have taken delivery of your Service Vehicle(s) but before you open the Franchised Business. If this Agreement is for your second (2^{nd}) or later Franchised Business, we reserve the right to not provide on-site opening assistance.

5.4 Additional Assistance and Training

We shall provide such additional advisory assistance and training as we deem advisable in the operation of the System, on such terms and conditions as we determine and set forth in our Operations Manual or otherwise. We may, in our sole and exclusive discretion, cause our representatives to telephone or visit you from time to time for the purpose of rendering advice and consultation with respect to the

operation of the Franchised Business, assessing your overall performance and determining whether you are conducting the Franchised Business in compliance with the standards of the System. You shall comply with all such requests and visitations, and provide all information requested.

If you request additional training or assistance on-site at your Franchised Business, or if we determine that additional training or assistance is necessary, you shall reimburse us for our costs in providing such training, including payment of our then-current per diem fee for each representative we send to you and each representative's travel, lodging and meals expenses.

5.5 Additional and Refresher Training

During your operation of the Franchised Business, you and your manager must attend any refresher training program we require. We may designate that attendance at any of these programs is mandatory unless the absence is excused by us. You must pay the out-of-pocket expenses for each person from your Franchised Business attending a refresher or additional training program.

5.6 Franchisee Meeting

We reserve the right to periodically hold a regional and/or national meeting of our franchisees to introduce new products or services, discuss changes, provide training and to respond to franchisee inquiries. We may designate that attendance at a meeting is mandatory for you and/or your manager unless the absence is excused by us. We will not charge a fee to attend the meeting, but you must pay all expenses you and any other attendees from your Franchised Business incur while attending, including travel, lodging, meals and applicable wages. We reserve the right to designate the venue for the franchisee meeting, such as a hotel or conference center, but we will not designate an unreasonably expensive location. We anticipate that such meeting shall be held on an annual basis.

5.7 Approved Suppliers

We shall, at all times during the term of this Agreement, provide information pertaining to sources of supply of any products or materials which may be used in the System.

5.8 Computer Hardware

We shall specify the particular computer hardware, software and peripheral equipment which you must purchase or lease.

5.9 Brand Development Fund

We administer the Brand Development Fund as more fully described in Section 11.3 hereof.

5.10 Force Majeure

Delays in the performance by us or our designee of any obligations hereunder which are not our fault or within our reasonable control including, without limitation, fire, flood, natural disasters, acts of God, governmental acts or orders, or civil disorders, shall not give rise to a default by us hereunder. Rather, you shall be required to extend the time of performance of any such obligations for the period of such delay or for such other reasonable period of time as may be appropriate in the circumstances.

5.11 Approved Products and Suppliers

We will publish and distribute from time to time in writing, including by email and updates to the Operations Manual, a list of approved and recommended suppliers for forms, signs, cards, stationery and other items necessary to operate the Franchised Business. The approved or recommended suppliers may

include us, an affiliate of ours or an independent supplier. If we designate a specific approved product and/or supplier, then you may not deviate from our requirements. Alternatively, if we provide you with specifications for a product, it will be your responsibility to locate a supplier that can meet our specifications. You may purchase supplies either from a source of supply approved or recommended by us, or from any other supplier which can first demonstrate to our satisfaction that its products or services meet the specifications established from time to time by us.

You understand and acknowledge that we may periodically receive payments from approved suppliers, such as in the form of rebates, based on such approved suppliers' sales of products and services to our franchisees. We reserve the right to direct that any supplier rebates, refunds, advertising allowances or other consideration payable or paid as a result of your purchases of non-proprietary goods, services or equipment be paid to us or any affiliate that we may designate. If we do so, then you hereby acknowledge that you will not assert any interest in such monies.

5.12 Artwork and Templates

We will provide you initially and periodically throughout the term of this Agreement with electronic artwork and templates for various documents you will use in the operation of the Franchised Business and for advertising purposes. We reserve the right to require you to reimburse our expenses to provide the artwork and templates to you.

ARTICLE 6
CONFIDENTIAL OPERATIONS MANUAL

6.1 Conduct of Franchised Business

In order to protect the reputation and goodwill of us, the System, and Proprietary Properties, and to maintain requisite operating standards under the Proprietary Marks, you shall conduct your Franchised Business in strict accordance with the provisions, standards, and procedures set forth in this Agreement and in the Operations Manual.

6.2 Confidential Information

You shall at all times treat the Operations Manual, any other manuals created for or approved for use in the operation of the Franchised Business, and the information contained therein as confidential Know How, and shall use all efforts to maintain such information as secret and confidential in accordance with the terms and conditions governing Know How and Copyrights, including, without limitation, the following: you shall not, at any time, without our prior written consent, copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person. The persons who are authorized shall include your management personnel who have executed the Confidentiality and Non-Competition Agreement, annexed hereto as Attachment 3.

6.3 Our Sole Property

The Operations Manual, as revised, shall at all times remain our sole property, and shall be returned to us immediately upon expiration or termination of this Agreement.

6.4 Revisions

6.4.1 We may, from time to time, revise the contents of the Operations Manual when we reasonably consider such revisions to be necessary to improve or maintain the standards of the System and you expressly agree to comply with each new or changed standard, provided, however, that such revisions are made for all franchisees and are reasonable in nature. Any revisions to the contents of the Operations

Manual shall be deemed effective seven (7) days after the date of mailing or providing same electronically of such revisions to you, unless otherwise specified by us.

6.4.2 You acknowledge the contents of the Operations Manual and any revisions or modifications made thereto shall constitute additional provisions of and modifications to this Agreement as if fully set forth herein.

6.5 Your Responsibility to Keep Current

You shall at all times ensure that your copy of the Operations Manual, if such Operations Manual is provided to you in hard copy format, is kept current and up to date, and in the event of any dispute as to the contents of the Operations Manual, the terms of the master copy of the Operations Manual maintained by us at our home office shall be controlling.

6.6 Modification of Standards

We and you acknowledge there may be circumstances that require you to modify the implementation of the standards and guidelines set forth in the Operations Manual. We and you recognize the Operations Manual is an operational guideline for conducting your business operations and, although you shall use your best efforts to faithfully follow the standards and guidelines set forth in the Operations Manual, we shall be permitted to modify the operational standards and guidelines so that your business is best served.

6.7 Improvements

To the extent that any improvements, inventions or discoveries are made by you, or your employees or agents, during the course of this Agreement and relating to the Proprietary Properties or System ("improvements"), such improvements shall be deemed assigned to and owned by us for the purpose of improving the entirety of the franchised network and the provision of Services in accordance with the System. All documents and other information concerning any such improvements shall be disclosed to us promptly after creation or invention. We shall, in our sole discretion, decide whether such improvements are worthy of inclusion in the System and the best and most practical method of implementation and protection. You shall execute all documents reasonably necessary to perfect our ownership in and to any such improvements and shall cooperate with us in the creation, implementation, use and protection thereof.

ARTICLE 7
PROPRIETARY MARKS, TRADE NAMES AND COPYRIGHTED MATERIALS

7.1 License

The license granted in Section 2.1 hereof does not grant you any right, title or interest, at law or in equity, in or to any of the Proprietary Properties, including the Proprietary Marks, Copyrights, and Know How, except as provided by said license. Further, such license applies only to those portions of the Proprietary Properties which have been, or may be, designated in writing by us for use by you in conjunction with the operation of the Franchised Business. You shall not represent to others, or conduct yourself in any manner that might indicate to others, that you possess any other legal or equitable rights in or to the Proprietary Properties by virtue of the license granted hereunder. Your execution of this Agreement shall further set forth your consent that the Proprietary Marks, Copyrights, and Know How are valid and enforceable (without defense or recourse). You represent and warrant that you will not attack the validity or enforceability of any of the Proprietary Properties, or assist another in any such attack, during the course of this Agreement or thereafter. The terms of this Section shall survive termination or expiration of this Agreement for any reason, in addition to any of the other remedies or survival provisions otherwise contained herein.

7.2 Ownership of Proprietary Marks

You expressly understand and acknowledge that:

7.2.1 We are the owner or the licensee of the owner of all right, title and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them. All references herein to our right, title and interest in the Proprietary Marks shall be deemed to include the owner's right, title and interest in the Proprietary Marks.

7.2.2 Neither you nor any of your Principals shall take any action that would prejudice or interfere with the validity of our rights with respect to the Proprietary Marks. Nothing in this Agreement shall give you any right, title, or interest in or to any of the Proprietary Marks or any service marks, trademarks, trade names, trade dress, logos, copyrights or proprietary materials, except the right to use the Proprietary Marks and the System in accordance with the terms and conditions of this Agreement for the operation of the Franchised Business and only at or from its accepted location or in approved advertising related to the Franchised Business.

7.2.3 You understand and agree that the limited license to use the Proprietary Marks granted hereby applies only to such Proprietary Marks as are designated by us, and which are not subsequently designated by us as being withdrawn from use, together with those which may hereafter be designated by us in writing. You expressly understand and agree that you are bound not to represent in any manner that you have acquired any ownership or equitable rights in any of the Proprietary by virtue of the limited license granted hereunder, or by virtue of your use of any of the Proprietary Marks.

7.2.4 You understand and agree that any and all goodwill arising from your use of the Proprietary Marks and the System shall inure solely and exclusively to our benefit, and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with your use of the Proprietary Marks.

7.2.5 You shall not contest the validity of or our interest in the Proprietary Marks or assist others to contest the validity of or our interest in the Proprietary Marks.

7.2.6 You acknowledge that any unauthorized use of the Proprietary Marks shall constitute an infringement of our rights in the Proprietary Marks and a material event of default hereunder. You agree that you shall provide us with all assignments, affidavits, documents, information and assistance we reasonably request to fully vest in us all such rights, title and interest in and to the Proprietary Marks, including all such items as are reasonably requested by us to register, maintain and enforce such rights in the Proprietary Marks.

7.2.7 If it becomes advisable at any time, in our discretion, to modify or discontinue use of any Proprietary Mark and/or to adopt or use one or more additional or substitute proprietary marks, then you shall be obligated to comply with any such instruction by us. We shall not have any obligation in such event to reimburse you for your documented expenses of compliance. You waive any other claim arising from or relating to any Proprietary Mark change, modification or substitution. We will not be liable to you for any expenses, losses or damages sustained by you as a result of any Proprietary Mark addition, modification, substitution or discontinuation. You covenant not to commence or join in any litigation or other proceeding against us for any of these expenses, losses or damages.

7.3 Quality Standards

You agree that the nature and quality of all Services rendered by you in connection with the Proprietary Marks; all goods sold by you under the Proprietary Marks; and all related advertising, promotional and other related use of the Proprietary Marks by you shall conform to standards set by us and be under our control.

7.4 Quality Maintenance

You agree to cooperate with us in facilitating our control of the nature and quality of the Proprietary Marks, to permit reasonable inspection of your operation, and to supply us with specimens of all uses of the Proprietary Marks upon request. You shall comply with all applicable laws and regulations and obtain all appropriate government approvals pertaining to the sale, distribution and advertising of services and goods which may be covered by this Agreement.

7.5 No Act in Derogation

You shall not do or permit any act in derogation of any of our rights to the Proprietary Properties.

7.6 No Dispute

You shall not contest or dispute our title to any part or all of the Proprietary Properties.

7.7 Use of Proprietary Properties

You shall use the Proprietary Properties solely in accordance with this Agreement and the Operations Manual. You agree to use the Proprietary Marks only in the form and manner and with appropriate legends as prescribed from time to time by us, and not to use any other service marks or trademark in combination with any of the Proprietary Marks without our prior written approval.

7.8 Identification of You

You shall not use the Proprietary Properties, or any words, phrases, symbols, trade dress, colors, logos or materials which we deem confusingly similar thereto, in your trade name or as a part of any corporate name with any prefix, suffix, or modifying word, term, design, or symbol (or for any other purpose) without our prior written approval. In that connection, you shall identify yourself to the public as doing business as "Jiffy Junk" as designated in the opening paragraph of this Agreement.

During the term of this Agreement and any successor term or extension hereof, you shall identify yourself as the independent owner of the Franchised Business in conjunction with any use of the Proprietary Marks, including, but not limited to, on invoices, order forms, receipts, business stationery, contracts with all third parties or entities, as well as the display of such notices in such content and form and at such conspicuous locations as we may designate in writing, including on your Service Vehicles.

7.9 Assignment of Numbers and Listings

At our request, you shall execute such forms and documents as we deem necessary to appoint us as your true and lawful attorney-in-fact, with full power and authority, for the sole purpose of assigning to us, your telephone numbers and listings; and provide us with passwords and administrator rights for all email, software, social media, or other such accounts used or created by you in order to operate the Franchised Business. Upon the expiration or termination of this Agreement, we may exercise our authority, pursuant to such documents, to obtain any and all of your rights to the telephone numbers of the Franchised Business and all related telephone directory listings and other business listings, and all internet listings, domain names, internet advertising, websites, listings with search engines, electronic mail

addresses, social media, or any other similar listing or usages related to the Franchised Business. You agree that you have no authority to and shall not establish any website or listing on the internet or world wide web without our express written consent, which consent may be denied without reason.

7.10 Our Right to Defend

If you receive notice of or learn of any actual or potential claim, suit or demand that has been or may be asserted against you or us involving any alleged infringement, unfair competition, or similar matter relating to the use of the Proprietary Properties, you shall promptly notify us of any such actual or potential claim, suit or demand. Thereupon, we shall promptly take such action as we may deem necessary in our sole discretion to address any such claim. We shall have the sole right to defend, compromise or settle any such claim, using attorneys of our own choosing, and you agree to cooperate fully with us in connection with the defense of any such claim. We shall protect, defend and indemnify you in connection with such claim unless the claim, suit or demand arises out of or relates to your use of the Proprietary Properties in violation of this Agreement, the Operations Manual or otherwise.

7.11 Notification of Infringement

If you learn of any unauthorized use of the Proprietary Properties, you shall promptly notify us of the facts relating to such alleged infringing use. We shall, in our discretion, determine whether or not to take any action with respect to such information. You shall have no right to take any action with respect to any unauthorized use of the Proprietary Properties without our prior written consent.

You agree to notify us of any unauthorized use of the Proprietary Marks by others promptly as it comes to your attention. We shall have the sole right and discretion to bring infringement or unfair competition proceedings involving the Proprietary Marks.

7.12 Limited License

You understand and agree that the limited license to use the Proprietary Properties granted hereby applies only to such properties as are designated by us, together with those which may hereafter be designated by us in writing. You expressly understand and agree that you are bound not to represent in any manner that you have acquired any ownership or equitable rights in any of the Proprietary Properties by virtue of the limited license granted hereunder, or by virtue of your use or creation of any of the Proprietary Properties, or upon any other basis.

If it becomes advisable at any time, in our discretion, to modify or discontinue use of any aspect of the Proprietary Properties and/or to adopt or use one or more additional or substitute items, then you shall be obligated to comply with any such instruction by us. We will not be liable to you for any expenses, losses or damages sustained by you as a result of any such addition, modification, substitution or discontinuation, and you covenant not to commence or join in any litigation or other proceeding against us for any of these expenses, losses or damages.

ARTICLE 8
INITIAL AND CONTINUING FEES

8.1 Initial Franchise Fee

8.1.1 Subject to Section 8.1.2 below, you shall pay to us an initial franchise fee of Forty-Five Thousand Dollars ($45,000) which shall be paid upon the execution of this Agreement. If this Agreement is for your second (2nd) or later Franchised Business, the initial franchise fee shall be Forty Thousand Dollars ($40,000). The amount of the initial franchise fee when so paid shall be deemed fully earned in consideration of the administrative and other expenses incurred by us in granting the franchise

hereunder and for our lost or deferred opportunity to grant such franchise to any other party. The initial franchise fee is not refundable under any circumstances.

8.1.2 If this Agreement is being executed pursuant to a Multi-Unit Development Agreement between you (as the multi-unit developer) and us, the initial franchise fee payable hereunder shall be as set forth in such Multi-Unit Development Agreement.

8.2 Royalty Fee

During the term of this Agreement, you shall pay to us, in partial consideration for the rights herein granted, a monthly royalty fee equal to Three Thousand Dollars ($3,000) for each Service Vehicle you operate in the Franchised Business ("Royalty Fee"). The Royalty Fee is payable on the tenth (10^{th}) day of each month, or the next business day if such day is not a business day.

If any state imposes a sales or other tax on the Royalty Fees, then we have the right to collect this tax from you.

8.3 Brand Development Fee

In addition to the Royalty Fee described in Section 8.2 above, you shall pay to us a Brand Development Fee (to be expended as provided in Section 11.3) in an amount equal to One Thousand Two Hundred Fifty Dollars ($1,250) per month. The Brand Development Fee is payable at the same time and in the same manner as the Royalty Fee.

We may periodically receive allowances, rebates or other payments from approved suppliers based on purchases from such suppliers by our franchisees, and we may elect to contribute such allowances, rebates or other payments to the Brand Development Fund. You understand and acknowledge, however, that any such contribution of these amounts by us to the Brand Development Fund does not in any manner diminish or eliminate your responsibility to pay the Brand Development Fee.

8.4 Lead and Review Generation Fee

You shall be required to pay a lead and review generation fee to an approved supplier equal to One Hundred Twenty-Nine Dollars ($129) each month, subject to increase. The Lead and Review Generation Fee is for internet advertising we administer, distribution of leads for business generated by our website, and software to generate customer reviews after job completion.

8.5 Sales Center Fee/Email Fee

You shall be required to pay to us a sales center fee equal to Eight Hundred Dollars ($800) each month, subject to increase, for support and administration of the call center and call center services we provide to you. Additionally, you shall pay to us or to an approved supplier an email fee equal to Eight Dollars ($8) per email address, subject to increase, for administration and support of your email accounts. The sales center fee and the email fee are payable at the same time and in the same manner as the Royalty Fee.

8.6 Insufficient Funds Fee

If there are not sufficient funds in your account to permit us to debit the account for the payments you owe us, you will pay to us an insufficient funds fee equal to One Hundred Dollars ($100). This fee is in addition to interest on any overdue amount, as described in Section 8.10 below, and any fees charged by your bank. If you incur three (3) insufficient funds fees within any twelve (12) month period, we may terminate this Agreement without providing you the opportunity to cure the default.

8.7 Right of Set Off

You agree to pay promptly, when due, all taxes and assessments that may be assessed or otherwise due against your income, premises, equipment and/or supplies used in connection with your Franchised Business, to discharge all liens and encumbrances of every kind and character created or placed upon or against any of said property and to pay all accounts and other indebtedness of every kind incurred by you in the conduct of said business. In the event you should default in making any such payment, we shall be authorized, but not required, to pay the same on your behalf, and you covenant promptly to reimburse us for any such payment. We shall also maintain the right of set off to permit deductions of any such amounts from payments that may be due you hereunder. Any such amounts advanced by us shall be due and payable immediately on your receipt of written demand from us.

8.8 Default

Any default by you in the timely payment of any indebtedness of yours owing to us, or to any affiliate of ours, or your default in the payment of any indebtedness of yours with respect to which we or any of our affiliates are a guarantor, co-signer, endorser or obligor, shall constitute a breach of this Agreement, rendering the same subject to termination in accordance with the provisions of Article 17 hereof.

8.9 Application of Funds

You waive any and all existing and future claims and set offs against any amounts due us hereunder, which amounts shall be paid when due regardless of any other claims which you may have against us. However, we shall be entitled to apply or cause to be applied against amounts due to us any amounts which may from time to time be held by us on your behalf or be owed to you by us. Notwithstanding any designation by you, we shall use sound business judgment and be reasonable in applying any payments received from you, whether designated as payable to us, the Brand Development Fund or otherwise, to any past due or other indebtedness of yours for continuing fees payable hereunder, purchases, interest or otherwise. We may set off from any amounts that may be owed to you any amount that you owe to us or with respect to any payment. In particular, we may retain any amounts we have received for your account (whether rebates or other funds and whether paid by or due from suppliers or otherwise) as a credit and payment against any amounts that you owe or will owe to us or with respect to any Lead and Review Generation Fee or Brand Development Fee. We may do so without notice at any time. However, you do not have the right to offset or withhold payments owed to us for amounts purportedly due you from us. We may condition your participation in any program (including, but not limited to, any program involving payments from third party suppliers or otherwise) as we determine in our reasonable discretion, including, but not limited to, your being a franchisee in good standing and not in default under this or any other agreement with us. You agree that you will not withhold any amounts otherwise due us as a result of any dispute of any nature but will pay such amounts to us and only thereafter seek reimbursement.

8.10 Interest on Late Payments

You shall not be entitled to withhold payments due us under this Agreement on grounds of alleged non-performance by us hereunder. Any payment or report not actually received by us on or before its due date shall be deemed overdue. Time is of the essence with respect to all payments to be made by you to us. All unpaid obligations under this Agreement shall bear interest from the date due until paid at the lesser of (i) eighteen percent (18%) per annum; or (ii) the maximum rate allowed by applicable law. Notwithstanding anything to the contrary contained herein, no provision of this Agreement shall require the payment or permit the collection of interest in excess of the maximum rate allowed by applicable law. If any excess of interest is provided for herein, or shall be adjudicated to be so provided in this Agreement, the provisions of this paragraph shall govern and prevail, and neither you nor your Principals shall be

obligated to pay the excess amount of such interest. If for any reason interest in excess of the maximum rate allowed by applicable law shall be deemed charged, required or permitted, any such excess shall be applied as a payment and reduction of any other amounts which may be due and owing hereunder, and if no such amounts are due and owing hereunder then such excess shall be repaid to the party that paid such interest.

8.11 Method of Payment – Electronic Funds Transfer

You shall establish an arrangement for electronic funds transfer or deposit of any payments required under this Section. You shall execute our current form of "Authorization Agreement for Prearranged Payments (Direct Debits)", a copy of which is attached to this Agreement as Attachment 5, together with any other forms required by our or your bank, and you shall comply with the payment and reporting procedures specified by us in the Operations Manual. You expressly acknowledge and agree that your obligations for the full and timely payment of Royalty Fees, Brand Development Fees, and Lead and Review Generation Fees (and all other amounts provided for in this Agreement) shall be absolute, unconditional, fully earned, and due as set forth herein. You shall not for any reason delay or withhold the payment of all or any part of those or any other payments due hereunder, put the same in escrow or set-off same against any claims or alleged claims you may allege against us, the Brand Development Fund, any advertising cooperative or others. You shall not, on grounds of any alleged non-performance by us or others, withhold payment of any fee, including without limitation Royalty Fees, Brand Development Fees or Lead and Review Generation Fees, nor withhold or delay submission of any reports due hereunder.

ARTICLE 9
YOUR OBLIGATIONS

9.1 Your Obligations

Each component of the System is vital to us, to the network of other franchisees of the System and to the operation of the Franchised Business, as well as to the members of the purchasing public who have come to rely upon us and our network for reliability and promptness. Compliance with each such component is of the essence to this Agreement. Hence, you undertake to conduct the Franchised Business at all times in full compliance with the System and each of its components. It is expressly understood and agreed that such services include, but are not limited to, providing junk removal services to your clients and such other related services as may be authorized by us to be offered from time to time. We may, from time to time, conduct market research and testing to determine consumer trends and salability of new products and services. You must cooperate by participating in our market research programs, test marketing new products and related services and providing timely reports and other relevant information regarding marketing research. In connection with such test marketing, you must execute any agreement required by us related to such test marketing, purchase a reasonable quantity of products to be tested and effectively promote and make a reasonable effort to sell such products and related services.

9.1.1 You shall operate the Franchised Business in an efficient and professional manner in accordance with the highest ethical and moral standards. You shall, as well, comply with all recommendations and standards of quality and service prescribed from time to time by us in the Operations Manual or otherwise. You may not discriminate against anyone to whom the Franchised Business provides Services and may not refuse any request for Services from within the Designated Territory unless the Services request will compromise the safety of you, your employees and/or the client.

9.1.2 You are hereby permitted to operate your Franchised Business from a home-based office. If you will not or are not permitted to operate a home-based office per local laws, you shall obtain a commercial office space, with our consent, which includes adequate parking space for your Service Vehicles and your employees' vehicles.

9.2 Approved Location; Development of Business; Opening

9.2.1 If you will not or are not permitted to operate a home-based office, you shall obtain a commercial office space within sixty (60) days after you execute this Agreement. Your commercial office space must be located within your Designated Territory and must have sufficient parking for your Service Vehicles and your employees' vehicles. You must provide us with all information we require so we can evaluate the space you have selected. We will notify you within thirty (30) days after we receive all information we need to evaluate the proposed site whether the site is accepted by us or not. Our acceptance will not be unreasonably withheld. When we notify you that the space you have selected has been approved, it will be included in Attachment 2 hereto as the "Approved Location." This approval should not be construed as an assurance or guaranty that the new site will be successful.

9.2.2 After the Approved Location has been determined, you must equip the Franchised Business, complete the Training Program (as required by Section 5.3 of this Agreement), and commence operation of the Franchised Business no later than ninety (90) days after this Agreement is executed.

9.2.3 You may not open your Franchised Business for business until: (a) we determine that your Franchised Business has been equipped and stocked with materials and supplies in accordance with our requirements; (b) the Training Program we provided has been completed to our satisfaction by the initial trainees; (c) the initial franchise fee and all other amounts due to us have been paid; (d) you have furnished us with all certificates of insurance required by this Agreement; (e) you have obtained all required governmental permits, licenses and authorizations necessary for the operation of your Franchised Business; and (f) you are in full compliance with all the terms of this Agreement.

9.2.4 If you fail to obtain an Approved Location or open the Franchised Business within our required timeframes, we have the right to terminate this Agreement unless we provide you with an extension of time. You shall be excused from the timely performance of your obligations under this Section if the cause of delay is beyond your reasonable control. Such cause would include, by way of illustration, strikes, fires and acts of God or other causes which you could not, by the exercise of due diligence, have reasonably avoided; provided, however, that any such cause shall not relieve you of your requirement to pay fees to us as described herein.

9.2.5 You may relocate your Franchised Business only with our prior written approval. We will use our then-current criteria to evaluate your proposed new location, which must be within your Designated Territory, unless you operate from a home-based office. Our approval will not be unreasonably withheld. If, for some reason, you are unable to relocate your Franchised Business to a site within the Designated Territory, we may permit you to relocate to a site outside of your Designated Territory, provided that your new location is in your home or is not within the designated territory of another franchisee, and the boundaries of your Designated Territory will not change.

9.3 Compliance with Laws and Good Business Practices

9.3.1 You shall secure and maintain in force in your name all required licenses, permits and certificates relating to the operation of your Franchised Business. You shall operate your franchise in full compliance with all applicable laws, ordinances and regulations, including without limitation all government regulations relating to environmental protection, occupational hazards and health, worker's compensation insurance, unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales taxes. You shall, in all dealings with your clients, suppliers, us and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which may be injurious to our business and the goodwill associated with the Proprietary Marks and other Franchised Businesses. You and your

employees shall be required to wear any uniforms that we determine, in the best interests of the System, to have all of our franchisees and their employees wear.

9.3.2 Without limiting the generality of this Section 9.3, you certify that neither you nor your Principals, employees or anyone associated with you is listed in the Annex to Executive Order 13224. (The Annex is available at http://www.treasury.gov/offices/enforcement/ofac/sdn.) You agree not to hire or have any dealings with a person listed in the Annex. You certify that you have no knowledge or information that, if generally known, would result in you, your Principals, employees, or anyone associated with you being listed in the Annex to Executive Order 13224. You agree to comply with and/or assist us to the fullest extent possible in our efforts to comply with the Anti-Terrorism Laws (as defined below). In connection with such compliance, you certify, represent, and warrant that none of your property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that you and your Principals are not otherwise in violation of any of the Anti-Terrorism Laws. You are solely responsible for ascertaining what actions must be taken by you to comply with all such Anti-Terrorism Laws, and you specifically acknowledge and agree that your indemnification responsibilities as provided in Article 13 of this Agreement pertain to your obligations under this Article 9. Any misrepresentation by you under this Section or any violation of the Anti-Terrorism Laws by you, your Principals, or employees shall constitute grounds for immediate termination of this Agreement and any other agreement you have entered into with us or one of our affiliates in accordance with the terms of this Agreement. As used herein, "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

9.4 Management Responsibility

Your Franchised Business shall be under the direct supervision at all times of one (1) full-time manager approved by us. If you are an indivdual, you may be the person who acts as manager, but the manager can be any person so long as they have been approved and trained by us. During the term of this Agreement, you and your manager are prohibited from actively participating in any other business during the required hours of operation of the Franchised Business, unless you have our written approval to do so.

9.5 Service Vehicle

You shall be obligated to purchase or lease the Service Vehicle required by us to be used in the operation of the Franchised Business, the specifications for which are set forth in the Operations Manual and are subject to change from time to time. If you wish to purchase a used Service Vehicle, such Service Vehicle shall be approved by us prior to its purchase.

9.5.1 Use of Service Vehicle. You and your employees, agents and independent contractors shall travel to your clients' and prospective clients' residential or small commercial properties only in Service Vehicles that have been acquired, designed, equipped, painted, decaled, decorated and/or otherwise outfitted as specified and approved by us, and no others. It is acknowledged that such restriction is necessary to present a uniform appearance to the public. You understand and acknowledge that the Service Vehicle shall only be used for projects and work approved and/or authorized by us, and for no other purpose.

9.5.2 Condition. You shall maintain your Service Vehicles in good working order, performing scheduled maintenance as recommended by the manufacturer and repairing all malfunctions promptly. You shall also ensure that each Service Vehicle is equipped with all of the items and accessories required by us, as well as displaying approved signage. Each Service Vehicle must be replaced before it reaches two hundred thousand (200,000) miles or it is eight (8) years old, whichever comes first.

9.5.3 Cleanliness and Appearance. You shall keep all of your Service Vehicles neat and clean, and consistent with the image of the Franchised Business as a professionally operated junk removal business.

9.5.4 Disposition. Under no circumstances shall you allow a Service Vehicle to come into the possession of anyone who is not a "Jiffy Junk" franchisee without first removing and/or obliterating all the Proprietary Marks. When you dispose of any Service Vehicle, you must inform us of the disposition in writing, including verification of the removal of all signage and Proprietary Marks. You are permitted to sell the cab and chassis, but the truck body shall be destroyed and recycled according to our requirements. In addition, during the term of this Agreement, you may not, without our written consent, assign or sublet a lease for any Service Vehicle.

9.5.5 Safe Driving. You shall hire and use only safe and courteous drivers of your Service Vehicles.

9.5.6 Compliance with Law. You shall at all times cause yourself and your employees, agents and independent contractors, along with all Service Vehicles, to be in full compliance with all applicable laws and regulations pertaining to all Service Vehicles, including, but not limited to, any requirements relating to licensing of drivers.

9.5.7 Taxes and License Fees. You shall promptly pay all license and use charges and taxes assessed on or pertaining to your Service Vehicles and shall hold us harmless therefrom.

9.5.8 Inspection. We, by our agents, employees and attorneys, shall have the right at all times during business hours, and without prior notice to you, to inspect the interior and exterior of your Service Vehicles to ascertain if you are in compliance with this Agreement. Such inspection may include verification of correct registration, licensing and insurance. You shall cooperate, and shall cause your employees to cooperate, fully with such inspection, and shall give your permission as may be necessary to allow us to obtain government and insurance company records pertaining to ownership and operation of the Service Vehicles, and promptly deliver the information and documentation referred to herein to us, upon our request.

9.5.9 Additional Service Vehicles. You may add additional Service Vehicles to better serve your clients, subject to our advance written consent. We shall not unreasonably withhold our consent allowing you to add a Service Vehicle, but may request, and you shall provide, any information relating to your Franchised Business to assist us in making our determination.

9.5.10 Reports. You shall, when upon adding a Service Vehicle to the Franchised Business, report to us in writing the identity of the Service Vehicle you are adding. Also, you shall, from time to time as requested by us or pursuant to this Agreement, report to us in writing the identity of all Service Vehicles you are then using in connection with the Franchised Business. You shall also report to us in writing each time you dispose of any Service Vehicle, setting forth the date of disposition, the name and address of the purchaser and a description of the measures taken to obliterate all resemblance to a Jiffy Junk Service Vehicle. These reports shall also include such other information as we may reasonably require, and shall be made on such forms, and at such times, as prescribed by us.

9.5.11 Lease of Service Vehicle. In the event you lease your Service Vehicle(s), rather than purchasing them, you shall provide us with a copy of the proposed lease offer for the Service Vehicle for our approval. Upon execution of the lease for the Service Vehicle(s), you shall provide us with copies of all lease documents, including the vehicle identification number for each Service Vehicle.

9.5.12 Hazardous Materials. You will not deal in any way with any hazardous materials, including, but not limited to, oil or gasoline, except in connection with the operation of the Service Vehicles; asbestos, any materials containing or contaminated with PCBs; liquid waste or sludge of any sort; septic tank sludge or waste; solvents, liquid paints or chemicals; and any other item which may be considered a Hazardous Material, as such term is defined by the laws applicable to the Designated Territory.

9.6 Acknowledgments

You acknowledge that you are one of a number of franchisees, each of whose success depends in substantial part on the integrity, reputation and marketing efforts of each other franchisee. You further acknowledge that the value of the Proprietary Marks and of membership in the System to you, to us and to each other franchisee depends on the maintenance of uniform standards of quality, integrity and appearance. You further acknowledge that any action which impairs the reputation and goodwill of the Proprietary Marks, impairs or adversely affects our objectives or brings us into disrepute, or departs from our uniform practices, will be likely to injure all members of the System.

9.7 Our Directives

You agree that you will at all times adopt and follow all our directives concerning the appearance of your premises and Service Vehicles, the quality and appearance of goods and services offered, the appearance of you and your staff, other business practices and other matters likely to affect the public perception of the System as a unified and reliable network of companies. You will offer all of, and only, the goods and services which we authorize for "Jiffy Junk" businesses.

9.8 Variances

Complete and detailed uniformity under many varying conditions may not be possible or practicable, and we therefore reserve the right and privilege, at our sole and absolute discretion and as we may deem in the best interest of all concerned in any specific instance, to vary standards to accommodate special needs of you, or those of any other franchisee, based upon the peculiarities of a particular site or location, density of population, business potential, population of trade area, existing business practices, requirements of local law or local custom, or any other condition which we deem to be of importance to the successful operation of such franchisee's business. Further, we may from time to time allow certain franchisees to depart from normal System standards and routines in certain respects in order to experiment with or test new products or services, equipment, Service Vehicles, designs, procedures and the like. In no event shall such variance, or such testing, be deemed a waiver of any of our rights, or an excuse from performance of any of your duties hereunder. We may at any time require you to commence full compliance with all of our standards and procedures. We shall not under any circumstances be required to grant any variance to you. Nothing contained in this Section is intended to confer on you any right to compel us to grant a variance to you or to grant, withdraw or modify any variance given to any other franchisee. Such matters shall at all times remain within our sole and absolute discretion.

9.9 Former Franchisees

You acknowledge that former franchisees (those whose franchise agreements have expired or have been terminated) are in a position to compete unfairly with you and/or other members of the System, and

to cause great injury to the reputation of the System and/or the Proprietary Marks. You therefore agree as follows:

9.9.1 You will not sell, loan, give or otherwise transfer or deliver to any former franchisee, or allow any former franchisee to copy or otherwise obtain, any confidential business information about the System; any advertising or promotional materials produced by the Brand Development Fund or by us or which bear any of the Proprietary Marks; any other materials or publications of ours, including, without limitation, the Operations Manual; any directory or roster of franchisees or approved suppliers, any other client lists or mailing lists pertaining in any way to the System; or any other information about the Franchised Business or the System which is not available to the public.

9.9.2 You will not refer prospective clients to any former franchisee.

9.9.3 You will not notify or advise any former franchisee of, or in any other way assist any former franchisee in learning about, the date, time and place of any meetings of franchisees.

9.9.4 If you observe any former franchisee using any of the Proprietary Marks in any way or utilizing business premises or motor vehicles from which the Proprietary Marks and/or distinctive color scheme have not been completely obliterated, you shall immediately report such observation to us, along with all details available to you.

9.9.5 You shall in general have no dealings with any former franchisees of the System.

9.9.6 The provisions of Section 9.9 of this Agreement shall apply to you as soon as you are on notice of the expiration or termination of another franchise agreement. You shall be deemed to be on such notice when you receive notice from us that one (1) or more particular franchise agreements have expired or have been terminated.

9.10 Computer System

You shall (at your sole cost and expense) acquire computer hardware and software meeting our specifications. You understand and acknowledge that such computer hardware and software is required to properly operate the Franchised Business. In addition, you shall provide to us any user IDs and passwords that we require.

9.11 Authorized Products and Services

9.11.1 Our reputation and goodwill are based upon and can be maintained and enhanced only by the provision of high-quality Services and other related products and services. You agree, therefore, that you will only offer such Services and other products and services that we shall authorize for the Franchised Business, including but not limited to any newly developed proprietary products or equipment. You further agree that you will not sell your client list(s) or client contracts, or otherwise use your client list(s) for any purpose other than in connection with the operation of your Franchised Business. You agree that you will not, without our prior written approval, offer or sell any type of service or offer, sell or use any product that is not authorized by us for the Franchised Business. You further agree that any equipment used in Franchised Businesses shall not be used for any purpose other than the operation of your Franchised Business in compliance with this Agreement.

9.11.2 If you propose to offer for sale through the Franchised Business any products or services not previously designated or approved by us, then you must first submit the proposed product or service to us for consideration and approval. We will consider the proposed product or service and respond to you within a reasonable time as to whether or not the product or service is approved for sale through the

Franchised Business. We reserve the right to make alterations to the proposed product or service as a condition of approval. You acknowledge and agree that, with respect to any change, amendment, or improvement in the System or proposed products or services for which you request our approval: (i) we shall have the right to incorporate the proposed change into the System and shall thereupon obtain all right, title, and interest therein without compensation to you, (ii) we shall not be obligated to approve or accept any request to implement change, and (iii) we may from time to time revoke our approval of a particular change or amendment to the System, and upon receipt of written notice of such revocation, you shall modify your activities in the manner described by us. It is understood and agreed that information, improvements to the System or techniques prepared, compiled or developed by you, your employees or agents during the term of this Agreement and relating to the Franchised Business, whether developed separately or in conjunction with us, shall be considered as part of the Know How. You hereby grant to us an irrevocable, worldwide, exclusive, royalty-free license, with the right to sub-license such product or service.

9.12 Approved Products and Supplies

9.12.1 You agree that all products and supplies used in your Franchised Business shall comply with our specifications and quality standards. In order to maintain uniformity of concept and quality, all proprietary materials and forms used by you shall be purchased from us, our affiliates or a supplier we designate in accordance with the terms and procedures set forth in the Operations Manual. The use or sale of unapproved products or services shall constitute a material and incurable breach of this Agreement. In the event you use any product or offer or perform any services that we have not prescribed, approved or authorized, you shall, immediately upon notice from us: (i) cease and desist offering or providing the unauthorized or unapproved product or from performing such services and (ii) pay to us, on demand, a prohibited product or service fine equal to Five Hundred Dollars ($500) per day for each day such unauthorized or unapproved product or service is offered or provided by you after written notice from us. The prohibited product or service fine shall be in addition to all other remedies available to us under this Agreement or at law.

9.12.2 We shall provide you with a list of approved products and supplies and shall from time to time issue revisions thereto. If you wish to use any type or brand of product or supply item or wish to purchase products or supplies from a supplier that is not currently approved by us, you shall notify us of your desire to do so and submit to us specifications, photographs, samples and/or other information requested by us. We shall, within a reasonable time, determine whether such products, supplies or such supplier meets our specifications and standards and notify you whether you are authorized to use such product or supply item or purchase from such supplier. You agree to reimburse our costs related to our evaluation of the product or supplier you propose.

9.13 Sole and Exclusive Employer of Your Employees

You hereby irrevocably affirm, attest and covenant your understanding that your employees are employed exclusively by you and in no fashion are any such employee employed, jointly employed or co-employed by us. You further affirm and attest that each of your employees is under your exclusive dominion and control and never under our direct or indirect control in any fashion whatsoever. You alone hire each of your employees; set their schedules; establish their compensation rates; and pay all salaries, benefits and employment-related liabilities (such as workers' compensation insurance premiums/payroll taxes/Social Security contributions/unemployment insurance premiums). You alone have the ability to discipline or terminate your employees to the exclusion of us, and you acknowledge that we have no such authority or ability. You further attest and affirm that any minimum staffing requirements established by us are solely for the purpose of ensuring that the Franchised Business is at all times staffed at those levels necessary to operate the Franchised Business in conformity with the System and the products, services, standards of quality and efficiency, and other Jiffy Junk brand attributes known to and desired by the consuming public and associated with the Proprietary Marks. You affirm, warrant and understand that you

may staff the Franchised Business with as many employees as you desire at any time so long as our minimal staffing levels are achieved. You also affirm and attest that any recommendations you may receive from us regarding salaries, hourly wages or other compensation for employees are recommendations only, designed to assist you to efficiently operate your Franchised Business, and that you are entirely free to disregard our recommendations regarding such employee compensation. Moreover, you affirm and attest that any training provided by us for your employees is geared to impart to those employees, with your ultimate authority, the various procedures, protocols, systems and operations of a Jiffy Junk Franchised Business and in no fashion reflects any employment relationship between us and such employees. Finally, should it ever be asserted that we are the employer, joint employer or co-employer of any of your employees in any private or government investigation, action, proceeding, arbitration or other setting, you irrevocably agree to assist us in defending said allegation, including (if necessary) appearing at any venue requested by us to testify on our behalf (and, as may be necessary, submitting yourself to depositions, other appearances and/or preparing affidavits dismissive of any allegation that we are the employer, joint employer or co-employer of any of your employees). To the extent we are the only named party in any such investigation, action, proceeding, arbitration or other setting to the exclusion of you, should any such appearance by you be required or requested by us, we will recompense you the reasonable costs associated with your appearing at any such venue.

9.14 Employee Training

You shall offer such continuing training programs to your personnel as are specified in the Operations Manual.

9.15 Advertising

You shall comply with all of the obligations regarding advertising as are set forth in Article 11 of this Agreement.

9.16 Hours of Operation

You shall operate your Franchised Business during those hours prescribed in the Operations Manual, subject to applicable law.

9.17 Inspection

We or any of our authorized agents or representatives may, upon reasonable notice, inspect the Franchised Business during normal business hours to determine whether it is in compliance with this Agreement and with the System. Further, you understand and consent to our ability to access all files, data, accounts, reports and the like resulting from your transmission of any required reports to us via computer. We will have access to your computer system, including your client database, at all times. We will have the right to collect data associated with your jobs so that we may monitor your progress and help you more efficiently manage your Franchised Business. There are no contractual restrictions on our access to this data, including your client database.

9.18 Reports

You shall submit to us such reports regarding the Franchised Business as we prescribe in the Operations Manual.

9.19 Good Faith

You shall act in good faith and use your best efforts to comply with your obligations under this Agreement and shall cooperate with us in accomplishing the purposes of this Agreement. Further, you shall

not directly or indirectly engage in any activities which would be detrimental to or interfere with the operation or reputation of the Franchised Business, us, the System, or the operations of any other franchisee.

9.20 Ethics

You agree to conduct your business in a manner that complies with the terms and intent of this Agreement; with national, state and local laws, regulations and ordinances; and with our Code of Ethics (if and when adopted and published by us). You hereby authorized any federal, local or state body regulating or supervising junk removal practices to release to us information related to complaints and to any disciplinary actions taken based upon your practices. You agree to notify us within five (5) business days of any such complaints or disciplinary actions. You also agree to maintain all permits, certificates and licenses (necessary for your franchise operation) in good standing and in accordance with applicable laws and regulations.

9.21 Guaranty

If any Principal is a married individual and the Principal's spouse has not executed this Agreement, such Principal shall cause his or her spouse to personally execute and bind himself or herself to the terms of a Guaranty, in the form attached as Attachment 8.

9.22 Customer Satisfaction; Operation of Franchised Business

You agree to comply with our requirements related to customer satisfaction as set forth in the Operations Manual. In addition, you shall use your best efforts to ensure that the Franchised Business is performing satisfactorily, in our opinion.

9.23 Forms of Payment

You agree to accept the forms of payment that we designate as well as the credit card processing service that we designate. You understand and acknowledge that this restriction, including the restriction that neither you nor any of your employees may accept cash as a form of payment, is for the benefit and safety of you and your employees.

ARTICLE 10
INSURANCE

10.1 Prior to opening the Franchised Business for business, you must obtain the insurance coverages required by us under policies of insurance issued by carriers having an A.M. Best rating of "A" or better. Our then-current insurance requirements are contained in the Operations Manual and are subject to change during the term of this Agreement. You agree to comply with any modified insurance requirements. As of the date of this Agreement, you shall purchase and maintain the following: (a) comprehensive general liability insurance with minimum liability coverage of One Million Dollars ($1,000,000) per occurrence and Three Million Dollars ($3,000,000) aggregate; (b) Workers' Compensation as may be required by statute or rule in the state(s) in which the Franchised Business is located or operates; (c) automobile liability coverage, including coverage of owned, non-owned and hired vehicles of One Million Dollars ($1,000,000) combined single limit for each Service Vehicle; (d) disability insurance for your employees; (e) at your discretion, employment practices liability insurance; (f) any insurance required by the terms of the lease for your office space; and (g) any other insurance we may require in the future. You must maintain all required policies in force during the entire term of this Agreement and any successor terms thereof. We may periodically increase or decrease the amounts of coverage required under these insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances. Each insurance

policy must name us (and, if we so request, our affiliates and our respective directors, employees or shareholders) as additional insureds and must provide us with thirty (30) days' advance written notice of any material modification, cancellation, or expiration of the policy.

10.2 We recommend that you obtain the following additional coverages: (a) general casualty insurance including fire and extended coverage, vandalism, theft, burglary and malicious mischief insurance for the replacement value of the Franchised Business and its contents; and (b) an umbrella insurance policy.

10.3 Before the expiration of the term of each insurance policy, you must furnish us with a Certificate of Insurance for each policy to be maintained for the upcoming term, along with evidence of the payment of the premium for each. If you do not maintain the required insurance coverage, or do not furnish us with satisfactory evidence of the required insurance coverage and the payment of the premiums for same, we may obtain, at our option and in addition to our other rights and remedies under this Agreement (including termination), any required insurance coverage on your behalf. If we do that, you agree to fully cooperate with us in our effort to obtain the insurance policies, promptly execute all forms or instruments required to obtain or maintain the insurance, allow any inspections of the Franchised Business which are required to obtain or maintain the insurance and pay to us, on demand, any costs and premiums we incur.

10.4 Your obligation to maintain insurance coverage, as described in this Agreement, will not be reduced in any manner by reason of any separate insurance we maintain on our own behalf, nor will our maintenance of that insurance relieve you of any obligations under this Article 10.

10.5 We reserve the right to obtain from your insurance carrier(s) periodic reports of losses (such as monthly, quarterly and/or annually), and you shall authorize your insurance carrier(s) to provide us with such reports.

ARTICLE 11
ADVERTISING

11.1 Participation in Advertising and Brand Development Programs

We may from time to time develop and create advertising and sales promotion programs designed to promote and enhance the collective success of all Franchised Businesses operating under the System. You shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by us for each program. In all aspects of these programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, the standards and specifications established by us shall be final and binding upon you.

We may, from time to time, incorporate into the System programs, products or services which we either develop or otherwise obtain rights to, which are offered and sold under names, trademarks and/or service marks other than the Proprietary Marks and which your Franchised Business, along with other Jiffy Junk Franchised Businesses, will be required to offer and sell. This activity, referred to as "cobranding", may involve changes to the Proprietary Marks and may require you to make modifications to your premises and the furniture, fixtures, equipment, signs and trade dress of your Franchised Business. If you receive written notice that we are instituting a cobranding program, you agree promptly to implement that program at your Franchised Business at the earliest commercially reasonable time and to execute any and all instruments required to do so. Under no circumstance will any cobranding program increase your Royalty Fees, Brand Development Fee or local advertising expenditure obligations under this Agreement.

11.2 Approval by Us

You shall use for your advertising and promotional activities only those materials, concepts and programs which have been furnished or approved in advance by us by specification in the Operations Manual or otherwise. You acknowledge that we may be one of, or the only, approved supplier for certain advertising and promotional materials and programs.

Prior to their use by you, samples of all local marketing materials not prepared or previously approved by us shall be submitted to us for written approval. If you do not receive written or verbal approval within fifteen (15) days after we receive the materials, they are deemed to be disapproved. You may not use any advertising, promotional or marketing materials that we have disapproved. Advertising promotional or marketing materials which we must approve include any information on a web home page or otherwise on the internet. Any advertising materials you submit to us for our review will become our property and there will be no restriction on our use or distribution of these materials.

You must advertise your Franchised Business using the telephone number and website address we specify. At our request you must include certain language in your local advertising, including "Franchises Available" and our website address and telephone number.

11.3 Brand Development Fund

We have created and continue to maintain and administer a franchisee Brand Development Fund (the "Fund") for such national, regional and/or local advertising and promotional programs as we may deem necessary or appropriate. The responsibility administration of the Fund shall remain with us. Advertising and promotional activities conducted by the Fund are funded by Brand Development Fees paid by you to us, and you agree to participate in any such promotional activities.

Your Brand Development Fees are paid to the Fund, managed by us. We agree that contributions to the Fund are used exclusively for advertising and public relations purposes for the exclusive, collective benefit of all participants of the System, including all franchisees, us and our affiliates. We determine, in our fully unrestricted discretion, the manner in which the Fund is spent. Some portion of the Fund may be used for creative concept production, marketing surveys, test marketing and related purposes. We have the right to direct all advertising activities of the Fund with sole discretion over creative concepts, materials and media used, as well as their placement and allocation and we will employ agencies, including advertising and public relations agencies, as we determine will best achieve the goals of the Fund and these agencies will be paid from the Fund. We also have the right to determine, in our sole discretion, the composition of all geographic and market areas for the implementation of these advertising and promotional activities.

You understand and acknowledge that the Fund is intended to maximize general public recognition and patronage of the Franchised Businesses and the Proprietary Marks for the benefit of all Franchised Businesses. We undertake no obligation to ensure that expenditures by the Fund are proportionate or equivalent to contributions by Franchised Businesses or that any Franchised Business will benefit direct or in proportion to its contribution to the Fund from the conduct of marketing programs or the placement of advertising. No amount of the Fund will be spent for advertising that is principally a solicitation for the sale of franchises. We have the right to reimburse ourselves out of the Fund for the total costs (including indirect costs) of developing, producing and distributing any advertising materials and collecting the Brand Development Fee (including attorneys', auditors' and accountants' fees and other expenses incurred in connection with collecting any Brand Development Fee). The Fund and its earnings do not otherwise inure to our benefit except that any resulting technology and intellectual property shall be deemed our property. Any Franchised Businesses owned by us or by our affiliates contribute to the Fund on the same basis as you.

You shall, upon your written request, receive on an annual basis within one hundred twenty (120) days after the end of each fiscal year a report describing the activity of the Fund, which report is not required to be audited. We shall be entitled to reimbursement for our reasonable accounting, collection, bookkeeping, reporting and legal expenses incurred with respect to the Fund. We shall not be liable for any act or omission with respect to the Fund which is consistent with this Agreement or done in good faith. All sums paid into the Fund, and any income earned thereon, are maintained by us in a segregated account and are used only for the purposes specified herein.

The Fund is not our asset. The Fund is not a trust, and we do not owe you fiduciary obligations because of our maintaining, directing or administering the Fund or for any other reason. We may spend in any fiscal year an amount greater or less than the aggregate contribution of Franchised Businesses to the Fund in that year and we may make loans to the Fund (and the Fund may borrow from us or other lenders) bearing reasonable interest to cover any deficits of the Fund or cause the Fund to invest any surplus for future use by the Fund. Any monies remaining in the Fund at the end of any fiscal year shall carry forward to be spent in the next year. We may incorporate the Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all of our rights and duties specified in this Section.

We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Brand Development Fees at the Fund's expense. We also may forgive, waive, settle and compromise all claims by or against the Fund. Except as expressly provided in this Section, we assume no direct or indirect liability or obligation to you for collecting amounts used in maintaining, directing or administering the Fund.

We may at any time defer or reduce the Brand Development Fee of a Franchised Business, and upon thirty (30) days' prior written notice to you, reduce or suspend Brand Development Fees and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Fund. If we terminate the Fund, we will either (a) distribute all unspent monies to all Franchised Businesses (whether franchised or operated by us or our affiliates) in proportion to their respective Fund contributions during the preceding twelve (12) month period or (b) use the unspent monies for advertising purposes. If we elect to reinstate a terminated Fund, any reinstated Fund shall be maintained as described herein.

11.4 Local Advertising

In addition to the ongoing marketing contributions set forth herein and, subject to any allocation of your expenditures for local marketing to a cooperative as described in Section 11.5, you shall spend each month throughout the term of this Agreement an amount equal to One Thousand Two Hundred Fifty Dollars ($1,250) or five percent (5%) of your gross revenues, whichever amount is higher, on marketing and promotion of your Franchised Business in your Designated Territory.

Notwithstanding the foregoing, if your Franchised Business participates in a cooperative, as described in Section 11.5 below, any amount you contribute to the cooperative will count toward your local advertising requirement; provided, however, that in the event your contribution to the cooperative is less than your local advertising requirement, you shall nevertheless spend the difference locally. You shall submit to us, within thirty (30) days of our request, advertising expenditure reports accurately reflecting your local advertising expenditures, including verification copies of all marketing and any other information that we require.

11.5 Cooperative Advertising

We may, in our discretion, create a regional advertising cooperative ("Cooperative") in any area, or we may approve the creation of such a Cooperative by franchisees in the System, and establish the rules

and regulations therefor. Immediately upon our request, you must become a member of the Cooperative for the area in which some or all of your Designated Territory is located. In no event may the Franchised Business be required to be a member of more than one Cooperative. The Cooperative must be governed in the manner we prescribe. The Cooperative may require each of its members to make contributions thereto in an amount as agreed upon by the Cooperative members. You shall contribute such amounts at the times and in the manner as determined by majority vote of the Cooperative members. Any funds contributed to a Cooperative will be credited against your local advertising obligation; provided, however, that if your contributions to a Cooperative are less than your local advertising requirement, you shall nevertheless spend the difference locally. The following provisions apply to each Cooperative:

11.5.1 the Cooperative must be organized and governed in a form and manner, and commence operation on a date, that we approve in advance in writing;

11.5.2 the Cooperative must be organized for the exclusive purpose of administering advertising programs and developing, subject to our approval, standardized promotional materials for the members' use in local advertising within the Cooperative's area;

11.5.3 the Cooperative may adopt its own rules and procedures, but such rules or procedures must be approved by us and must not restrict or expand your rights or obligations under this Agreement;

11.5.4 except as otherwise provided in this Agreement, and subject to our approval, any lawful action of the Cooperative (including, without limitation, imposing assessments for local advertising) at a meeting attended by members possessing more than fifty percent (50%) of the total voting power in the Cooperative is binding upon you if approved by members possessing more than fifty percent (50%) of the total voting power possessed by members in attendance, with each Franchised Business having one (1) vote, but no franchisee (or commonly controlled group of franchisees) may have more than twenty-five percent (25%) of the vote in the Cooperative regardless of the number of Franchised Businesses owned;

11.5.5 without our prior written approval, the Cooperative may not use, nor furnish to its members, any advertising or promotional plans or materials; all such plans and materials must be submitted to us in accordance with the procedure set forth in Section 11.2;

11.5.6 Cooperative may require its members to periodically contribute to it in such amounts as it determines;

11.5.7 no later than the fifteenth (15^{th}) day of each month, each member/franchisee must submit its contribution under Section 11.5.6 for the preceding calendar month to the Cooperative, together with such other statements or reports as we or the Cooperative may require, with our prior written approval; and

11.5.8 if an impasse occurs because of a Cooperative members' inability or failure, within forty-five (45) days, to resolve any issue affecting the Cooperative's establishment or effective functioning, upon request of any Cooperative member, that issue must be submitted to us for consideration, and our resolution of such issue is final and binding on all Cooperative members.

11.6 Grand Opening Advertising

In addition to the ongoing marketing contributions and expenditures set forth herein, you shall be required to spend between Two Thousand Dollars ($2,000) and Three Thousand Dollars ($3,000) on a grand opening advertising campaign to promote the opening of the Franchised Business. The grand opening

advertising campaign shall be conducted generally in the period that includes seven (7) days before and fourteen (14) days after opening the Franchised Business. All advertising proposed to be used in the grand opening marketing campaign are subject to our review and approval in the manner set forth in this Article 11.

11.7 Websites; Social Media

We alone may establish, maintain, modify or discontinue all internet, world wide web and electronic commerce activities pertaining to the System. We may establish one or more websites accessible through one or more uniform resource locators ("URLs") and, if we do, we may design and provide for the benefit of your Franchised Business a "click through" subpage at our website for the promotion of your Franchised Business. If we establish one or more websites or other modes of electronic commerce and if we provide a "click through" subpage at the website(s) for the promotion of your Franchised Business, you must routinely provide us with updated copy, photographs and news stories about your Franchised Business suitable for posting on your "click through" subpage. We reserve the right to specify the content, frequency and procedure you must follow for updating your "click through" subpage.

Any websites or other modes of electronic commerce that we establish or maintain, including but not limited to any mobile applications ("apps") that we may introduce, may – in addition to advertising and promoting the products and services available at Jiffy Junk Franchised Businesses – also be devoted in part to offering Jiffy Junk franchises for sale and be used by us to exploit the electronic commerce rights which we alone reserve.

In addition to these activities, we may also establish an Intranet through which downloads of operations and marketing materials, exchanges of franchisee email, System discussion forums and System-wide communications (among other activities) can be done. You may not maintain your own website; otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with your Franchised Business; establish a link to any website we establish at or from any other website or page; or at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates the "Jiffy Junk" name or any name confusingly similar to the Proprietary Marks.

You are not permitted to promote your Franchised Business or use any of the Proprietary Marks in any manner on any social or networking websites, such as Facebook, Instagram, LinkedIn or Twitter, without our prior written consent. We will control all social media initiatives. You must comply with our System standards regarding the use of social media in the operation of your Franchised Business, including prohibitions on your and your employees posting or blogging comments about the Franchised Business or the System, other than on a website established or authorized by us ("social media" includes personal blogs, common social networks like Facebook, Instagram and MySpace, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools). We will provide access to branded social media pages/handles/assets, and you must update these regularly. We reserve the right to conduct collective/national campaigns via local social media on your behalf.

We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any website we establish and maintain, including any and all material you may furnish to us for your "click through" subpage. We reserve the right, at any time, to revoke your ability to use social media and/or to maintain a social media website.

11.8 Advisory Councils

We reserve the right to develop one or more advisory councils for the System. If we form an advisory council, it will include our representatives and franchisee representatives. Franchisee representatives may be chosen by us or may be selected by other franchisees in the System. If you participate on an advisory council, you must pay any expenses you incur related to your participation, such as travel and living expenses to attend council meetings. Any council we establish will act in an advisory capacity only and will not have decision making authority. We will have the right to form, change, merge or dissolve any advisory council at any time.

ARTICLE 12
REPORTING AND FINANCIAL MANAGEMENT REQUIREMENTS

12.1 Record Keeping

You shall keep true and accurate records, including those which may be specified by us from time to time, from which all sums payable under this Agreement and the dates of accrual thereof may be readily determined. You shall keep such records on your business premises at all times unless we permit them to be kept at another location. In any event, you shall at all times inform us of any change in the location of your said records. You shall be required to make all data and records available to us upon request. All data retrieved by us from you shall become our property. We reserve the right, in our sole discretion, to share your data, including but not limited to reports and performance information but excluding any personal data, with other franchisees in the System for purposes of comparison and development.

12.2 Reporting Systems

You agree to utilize such reporting and financial control systems as we may direct.

12.2.1 You shall maintain on forms approved or provided by us a monthly sales report and monthly profit and loss statement accurately reflecting the operations and condition of said business.

12.2.2 You shall employ such methods of filing, record-keeping, bookkeeping, accounting and reporting as we shall from time to time reasonably require.

12.2.3 You shall adopt and shall strictly adhere to such methods for control and protection of cash receipts (and of records pertaining thereto) as we may from time to time direct.

12.3 Reports

To enable us to monitor your progress and your compliance with this Agreement, in addition to reports otherwise required under this Agreement, you shall provide to us written reports in such form and at such times as we may prescribe. In addition, we shall, at all times, have on-line access to your reports.

12.3.1 You shall be required to provide the following reports to us:

(a) By the twentieth (20^{th}) day of each month, an income report for the Franchised Business, including such detail as we may require and in the format required by us; and

(b) By April 15^{th} of each year, an annual income statement prepared on a calendar year basis, including such detail as we may require and in the format required by us.

(c) We reserve the right to require you to submit your reports at any frequency we choose such as weekly, monthly, quarterly, etc.

12.3.2 Reports shall be deemed timely made if personally delivered to our offices, electronically transmitted to and received by us, or postmarked by the U.S. Postal Service (with proper first-class postage prepaid) on or before the required date.

12.3.3 You understand and acknowledge that we have the right to compile sales data regarding all Jiffy Junk Businesses in the System and to disclose such information to other franchisees in the System and in our Franchise Disclosure Document. You further acknowledge that our ability to access records in your computer system does not diminish or eliminate your responsibility to provide required reports to us.

12.4 Correction of Errors

You understand and agree that our receipt or acceptance of any of the statements furnished or Royalty Fees and other fees paid to us (or the cashing of any checks or processing of any EFTs) shall not preclude us from questioning the correctness thereof at any time and, in the event that any inconsistencies or mistakes are discovered in such statements or payments, they shall immediately be rectified by you and the appropriate payment shall be made by you.

12.5 Authorization of Us

You hereby authorize (and agree to execute any other documents deemed necessary to effect such authorization) all banks, financial institutions, businesses, suppliers, manufacturers, contractors, vendors and other persons or entities with which you do business to disclose to us any requested financial information in their possession relating to you or the Franchised Business. You authorize us to disclose data from your reports if we determine, in our sole and absolute discretion, that such disclosure is necessary or advisable, which disclosure may include disclosure to prospective or existing franchisees or other third parties, and you acknowledge and agree that such disclosure may include publishing of the financial performance of your Franchised Business in franchise disclosure document(s) issued by us following the execution hereof.

ARTICLE 13
INDEPENDENT LICENSEE AND INDEMNIFICATION

13.1 No Fiduciary Relationship

The parties acknowledge and agree that you shall be an independent licensee and this Agreement does not create a fiduciary relationship between them, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer or servant of the other for any purpose. You understand and agree that you are and will be an independent licensee under this Agreement. Nothing in this Agreement may be interpreted as creating a partnership, joint venture, agency, employment or fiduciary relationship of any kind. Your employees are not our employees. Neither you nor any of your employees whose compensation you pay may in any way, directly or by implication, be considered our employee for any purpose, regardless of inclusion in mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. We will not have the power to hire or terminate the employment of your employees. You expressly agree, and will never claim otherwise, that our authority under this Agreement to determine that certain of your employees are qualified to perform certain tasks for your Franchised Business does not directly or indirectly vest in us the power to influence the employment terms of any such employee.

You agree that you alone are to exercise day-to-day control over all operations, activities and elements of your Franchised Business, and that under no circumstance shall we do so or be deemed to do so. You further acknowledge and agree, and will never claim otherwise, that the various restrictions, prohibitions, specifications and procedures of the System which you are required to comply with under this Agreement, whether set forth in our Operations Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your Franchised Business, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of your Franchised Business.

13.2 Independent Licensee

During the term of this Agreement, you shall hold yourself out to the public as an independent licensee conducting your Franchised Business operations pursuant to the rights granted by us. You agree to take such action as shall be reasonably necessary to that end, including, without limitation, exhibiting a notice of that fact in a conspicuous place on the premises of the Franchised Business established for the purposes hereunder, on each Service Vehicle, and on all letterhead, business cards, forms, and as further described in the Operations Manual. We reserve the right to specify in writing the content and form of such notice.

You acknowledge and agree that any training we provide for your employees is geared to impart to those employees, with your ultimate authority, the various procedures, protocols, systems and operations of a Jiffy Junk Franchised Business and in no fashion reflects any employment relationship between us and such employees. If it is ever asserted that we are the employer, joint employer or co-employer of any of your employees in any private or government investigation, action, proceeding, arbitration or other setting, you irrevocably agree to assist us in defending said allegation, appearing at any venue requested by us to testify on our behalf; participating in depositions or other appearances; or preparing affidavits rejecting any assertion that we are the employer, joint employer or co-employer of any of your employees.

13.3 Indemnification by You

You agree at all times to defend, at your own cost, and to indemnify and hold harmless to the fullest extent permitted by law, us, our corporate parent, the corporate subsidiaries, affiliates, successors, assigns, and designees of either entity and the respective directors, officers, employees, agents, shareholders, designees, and representatives of each (we and all others hereinafter referred to collectively as "Indemnitees") from all losses and expenses (as hereinafter defined) incurred in connection with any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof which arises out of or is based upon any of the following: your infringement or any other violation of any patent, trademark, copyright or other proprietary right owned or controlled by third parties; your violation or breach of any contract, federal, state, or local law, regulation, ruling, standard, or directive or of any industry standard; libel, slander or any other form of defamation by you; your violation or breach of any warranty, representation, agreement, or obligation in this Agreement; any acts, errors, or omissions of yours or any of your agents, servants, employees, contractors, partners, proprietors, affiliates, or in any manner in connection with the Franchised Business; the inaccuracy, lack of authenticity, or non-disclosure of any information by you; any service provided by you at, from, or related to the operation at the Approved Location or from the Service Vehicle; or any services provided by any affiliated or non-affiliated participating entity. For the purpose of this Section, the term "losses and expenses" shall be deemed to include all losses, compensatory, exemplary or punitive damages, fines, charges, costs, expenses, lost profits, attorneys' fees, experts' fees, court costs, settlement amounts, judgments, compensation for damages to our reputation and goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting, or replacing same, and any and all expenses of recall, refunds, compensation, public notices, and other such amounts incurred in connection with the matters described. You agree to give us notice of any such action,

suit, proceeding, claim, demand, inquiry, or investigation. We reserve the right to assume the defense for such action, suit, proceeding, claim, demand, inquiry or investigation, at your expense. The foregoing indemnification shall not apply to losses or expenses arising from our gross negligence or willful acts.

13.3.1 At your expense and risk, we may elect to assume (but under no circumstance are obligated to undertake) the defense and/or settlement of any such action, suit, proceeding, claim, demand, inquiry or investigation, provided that we will seek your advice and counsel and shall keep you informed with regard to any such proposed or contemplated settlement(s). Such an undertaking by us shall in no manner or form diminish your obligation to indemnify us and to hold us harmless.

13.3.2 All losses and expenses incurred under this Section 13.3 shall be chargeable to and paid by you pursuant to your obligations of indemnity under this Section, regardless of any actions, activity or defense undertaken by us or the subsequent success or failure of such actions, activity or defense.

13.3.3 The Indemnitees do not assume any liability whatsoever for acts, errors, or omissions of those with whom you may contract, regardless of the purpose. You shall hold harmless and indemnify the Indemnitees for all losses and expenses which may arise out of any acts, errors, or omissions of these third parties.

13.3.4 Under no circumstances shall the Indemnitees be required or obligated to seek recovery from third parties or otherwise mitigate their losses in order to maintain a claim against you. You agree that the failure to pursue such recovery or mitigate loss will in no way reduce the amounts recoverable by the Indemnitees from you.

13.4 Indemnification by Us

We agree at all times to defend, at our own cost, and to indemnify and hold harmless to the fullest extent permitted by law you, your corporate parent, the corporate subsidiaries, affiliates, successors, assigns, and designees of either entity, and the respective directors, officers, employees, agents, shareholders, designees, and representatives of each from all losses and expenses (as hereinafter defined) incurred in connection with any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof which arises out of or is based upon any of the following: our infringement or any other violation of any patent, trademark, copyright or other proprietary right owned or controlled by third parties; our violation or breach of any contract, federal, state, or local law, regulation, ruling, standard, or directive or of any industry standard; libel, slander, or any other form of defamation by us; our violation or breach of any warranty, representation, agreement, or obligation in this Agreement. For the purpose of this Section, the term "losses and expenses" shall be deemed to include all losses, compensatory, exemplary, or punitive damages, fines, charges, costs, expenses, lost profits, attorneys' fees, experts' fees, court costs, settlement amounts, judgments, compensation for damages to your reputation and goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting, or replacing same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described. We agree to give you notice of any such action, suit, proceeding, claim, demand, inquiry, or investigation. The foregoing indemnification shall not apply to losses or expenses arising from your gross negligence.

ARTICLE 14
CONFIDENTIAL INFORMATION

14.1 You shall not, during the term of this Agreement or at any time thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, association or corporation any

confidential information or Know How concerning, among other things, client identities and information, as well as the methods of operation of the Franchised Business hereunder which may be communicated to you, or of which you may become apprised, by virtue of the operation of the Franchised Business at the Approved Location or from the Service Vehicle under this Agreement. You shall divulge such confidential information only to such of your employees or officers and directors who must have access to it in order to operate the Franchised Business. Any and all information, knowledge and know how, including, without limitation, the materials, equipment, specifications, techniques, and other data which we designate as confidential shall be deemed confidential for purposes of this Agreement, except information which you can demonstrate came to your attention prior to disclosure thereof by us; or which, at the time of disclosure by us to you, had become a part of the public domain through publication or communication by others; or which, after disclosure to you by us, becomes a part of the public domain through publication or communication by others.

14.2 You shall require all personnel having access to any Know How or confidential information provided by us, or otherwise playing a role in the solicitation or provision of the Services or related services to clients, to execute covenants that they will maintain the confidentiality of information they received in connection with their employment or engagement by you, in accordance with the form provided as Attachment 3 hereto. It is expressly understood that we are designated as a third-party beneficiary of such covenants with the independent right to enforce them.

14.3 You acknowledge that any actual or threatened failure to comply with the requirements of this Article 14 will cause us to suffer immediate and irreparable injury, non-compensable by the payment of mere money damages, permitting us with or without notice to seek immediate injunctive relief. You agree to pay all court costs and reasonable attorneys' fees incurred by us when we seek to obtain specific performance or an injunction against violation of the requirements of this Article 14.

ARTICLE 15
COVENANTS NOT TO COMPETE

15.1 In-Term Covenants

You specifically acknowledge that, pursuant to this Agreement, you shall receive valuable training and confidential information, including, without limitation, information regarding the promotional, operational, sales, and marketing methods and techniques of us and the System, and that the covenants not to compete set forth below are fair and reasonable and will not impose any undue hardship on you, since you have other considerable skills, experience, and education which afford you the opportunity to derive income from other endeavors. You covenant that during the term of this Agreement, except as may be otherwise approved in writing by us, you shall not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, persons, or legal entity:

15.1.1 Divert or attempt to divert any business or client of the Franchised Business hereunder to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System; or

15.1.2 Own, maintain, advise, help, invest in, make loans to, be employed by, engage in, or have any interest in any business (including any business operated by you prior to entry into this Agreement) specializing, in whole or in part, in the activities conducted by you, and any other type of service which you may be authorized to render hereunder and sell any other products and services which you may be authorized to sell hereunder (a "Competitive Business").

15.2 Post-Term Covenants

You covenant that, except as otherwise approved in writing by us, you shall not, for a continuous uninterrupted period commencing upon the expiration or termination of this Agreement, regardless of the cause for termination, or upon transfer of this Agreement or the Franchised Business pursuant to Article 16 hereof, and continuing for two (2) years thereafter (and in case of any violation of this covenant, for two (2) years after the violation ceases), either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, advise, help, invest in, make loans to, be employed by, engage in, or have any interest in any Competitive Business:

15.2.1 Within a radius of twenty-five (25) miles of your Designated Territory; or

15.2.2 Within a radius of twenty-five (25) miles of the location of any business using the System and/or the Proprietary Marks, whether franchised or owned by us or our subsidiary or affiliated companies.

15.3 Unenforceability of Covenants

The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Article 15 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which we are a party, you expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law as if the resulting covenant were separately stated in and made part of this Article 15.

15.4 Our Right to Amend

You understand and acknowledge that we shall have the right, in our sole discretion, to reduce the scope of any covenant set forth in Sections 15.1 and 15.2 of this Agreement, or any portion thereof, without your written consent, effective immediately upon receipt by you of written notice thereof. You agree that you shall comply forthwith with any covenant as so modified, which will be fully enforceable notwithstanding the provisions of this Article 15.

15.5 Existence of Claim

You expressly agree that the existence of any claim that you may have against us, whether or not arising from this Agreement, shall not constitute a defense to our enforcement of the covenants in this Article 15.

15.6 Injunction

You acknowledge that any threatened or actual failure to comply with the requirements of this Article 15 would cause us to suffer immediate and irreparable injury for which no adequate remedy at law may be available, and you hereby accordingly consent to the *ex parte* entry of an injunction prohibiting any conduct by you in violation of the terms of this Article 15. We may further avail ourselves of any other legal or equitable rights and remedies which we may have under this Agreement, statute, common law or otherwise.

15.7 Additional Covenants

At our request, you shall require and obtain execution of covenants identical in scope to those set forth in this Article 15 (including covenants applicable upon the termination of a person's relationship with you) from any or all of the following persons:

15.7.1 Any managers or other key persons employed by you who have received training from us;

15.7.2 All officers, directors and holders of a beneficial interest of five (5%) percent or more in you, and of any entity directly or indirectly controlling you, if you are a corporation or limited liability company;

15.7.3 The general partners and any limited partners (including any corporation or limited liability company, and the officers, directors, and holders of a beneficial interest of five percent (5%) or more of the securities of any corporation which controls, directly or indirectly, any general or limited partner), if you are a partnership; and

15.7.4 Each covenant required to be executed pursuant to this Section 15.7 shall be on a form supplied by us, including, without limitation, specific identification of us as a third-party beneficiary of such covenants with the independent right to enforce them. Your failure to obtain execution of a covenant required by this Section 15.7 shall constitute a default under Section 17.2 hereof.

ARTICLE 16
ASSIGNMENT AND RIGHT OF FIRST REFUSAL

16.1 Assignment by Us

We shall have the right to assign this Agreement and all of our attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions: (i) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing our obligations; and (ii) the assignee shall expressly assume and agree to perform such obligations.

You expressly affirm and agree that we may sell our assets, our rights to the Proprietary Marks or to the System outright to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Proprietary Marks (or any variation thereof) and/or the loss of association with or identification of "Jiffy Junk Franchising LLC" as Franchisor. Nothing contained in this Agreement shall require us to remain in the same business or to offer the same products and services, whether or not bearing the Proprietary Marks, in the event that we exercise our right to assign our rights in this Agreement.

16.2 Assignment by You

Neither your interest in this Agreement nor any of your rights or privileges hereunder, nor the Franchised Business nor any interest therein, may be assigned, transferred, shared or divided, voluntarily or involuntarily, directly or indirectly, without our prior written consent, which shall not be unreasonably withheld, and without your first complying with Section 16.2.1 hereof. (The use of the term "assignment" herein encompasses any actual or purported assignment, sale, transfer or other arrangement having the purpose or effect of shifting ownership or control interests in the Franchised Business.) Any actual or purported assignment of this Agreement or of the Franchised Business in violation of the terms hereof shall be null and void and shall constitute an incurable breach of this Agreement. The actual or purported transfer in the aggregate of more than fifty (50%) percent of the Franchised Business shall be deemed to be an "assignment" hereunder.

16.2.1 Our consent (such consent not to be unreasonably withheld) to any assignment is subject to the following conditions:

(a) The assignee must demonstrate that it has the skills, qualifications, licensing and economic resources necessary, in our judgment, to conduct the Franchised Business and to fulfill its obligations to you and to us.

(b) The assignee must expressly assume in writing all of your obligations under this Agreement.

(c) As of the date of any such assignment, you shall have fully complied with all of your obligations to us, whether under this Agreement or any other agreement, arrangement or understanding with us.

(d) The assignee must execute a new Franchise Agreement in the form and on the terms and conditions then being offered by us to franchisees (except that the assignee shall not be obligated to pay another initial franchise fee). The term of such new Franchise Agreement shall expire on the expiration date of this Agreement.

(e) You shall pay us a transfer fee equal to fifty percent (50%) of our then-current initial franchise fee for a single unit franchise to cover our reasonable costs in effecting the transfer and in providing training and other initial assistance to assignee.

(f) The assignee shall satisfactorily complete the training then required of all new franchisees.

(g) We shall be furnished copies of the executed contract between you and any such assignee and all related documentation, and we shall have approved of the sale terms.

(h) You must have executed a general release in a form satisfactory to us of any and all claims against us, our subsidiaries, affiliates, and designees, and our officers, directors, shareholders and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances.

(i) The assignee shall not be affiliated in any way with a competitor of ours.

(j) All of your then-current Service Vehicles that meet our requirements for being able to be kept in service shall be transferred to the assignee.

16.2.2 Upon your death, or in the event you are determined to suffer any legal incapacity (or, if you are a corporation, limited liability company or partnership, then upon the death or legal incapacity of the shareholder, member or partner responsible for the operation of Franchised Business), the transfer of your interest to your heirs, legatees, personal representatives or conservators, surviving partner(s) or fellow shareholder(s), as applicable, shall not constitute an "assignment" hereunder and shall not give rise to our right of first refusal to purchase the Franchised Business as set forth in Section 16.4 hereof, if the following conditions are met:

(a) The heirs, legatees, personal representatives, conservators, surviving partner(s) or fellow shareholder(s), as applicable, meet our standards for qualification of new franchisees and agree in writing to be bound by the terms and conditions of this Agreement.

(b) Within six (6) months after your death or incapacity (or, if you are a corporation, limited liability company or a partnership, within six (6) months after the death or incapacity of the principal shareholder, member or partner responsible for the operation of the Franchised Business), a person designated by your heirs, legatees, personal representative(s), conservator(s), surviving partners or fellow shareholders or members, as applicable, shall have satisfactorily completed our then-current training requirements. If at the time of such death or incapacity you have employed a manager who has satisfactorily completed any version of our Training Program, this requirement shall be deemed satisfied.

(c) In order to prevent any interruption of the Franchised Business operations which would cause harm to the Franchised Business, thereby depreciating the value thereof, you authorize us, who may, at our option, in the event that you are absent for any reason or are incapacitated by reason of illness and are unable, in our sole and reasonable judgment, to operate the Franchised Business, operate the Franchised Business for so long as we deem necessary and practical, and without waiver of any other rights or remedies we may have under this Agreement. All monies from the operation of the Franchised Business during such period of operation by us shall be kept in a separate account, and the expenses of the Franchised Business, including reasonable compensation and expenses for our representative, shall be charged to said account. If, as herein provided, we temporarily operate the Franchised Business franchised herein for you, you agree to indemnify and hold harmless us and any representative of ours who may act hereunder, from any and all acts which we may perform, as regards the interests of you or third parties.

16.3 Corporation or Limited Liability Company Ownership

In the event you desire to operate the Franchised Business through a corporation or limited liability company formed by you solely for the convenience of ownership, you must obtain our prior written consent, which consent shall be granted if:

16.3.1 You shall be the owner of all the voting stock of the corporation or all of the membership interests, as applicable, or, if you comprise more than one (1) individual, each such individual shall have the same proportionate ownership interest in the corporation or limited liability company as it holds in Franchised Business;

16.3.2 Appropriate forms of corporate resolutions, minutes and/or consents, which have been duly adopted, are furnished to us prior to addition of your corporation or limited liability company as a "franchisee" under this Agreement; and

16.3.3 Principal(s) shall remain personally liable for the performance of all obligations under this Agreement and are not released from any obligations to us.

A transfer under this Section 16.3 may occur one (1) time only without payment of the aforementioned transfer fee and is not subject to our right of first refusal, as described in Section 16.4.

16.4 Right of First Refusal

Your right to assign, transfer or sell your interest in this Agreement (voluntarily or by operation of law) and/or the Franchised Business, as provided above, shall be subject to our right of first refusal with respect thereto. (We shall maintain the option of waiving this right in writing.) That is, we shall have the right to be offered by you the opportunity to purchase such interest in this Agreement and/or the Franchised Business on the terms and conditions which have been offered to and accepted by a third party in a wholly arms-length transaction. Our right of first refusal shall be exercised in the following manner:

16.4.1 You shall serve upon us a written notice setting forth all of the terms and conditions of the proposed assignment which shall specify the purchase price established by the parties and include

reasonably complete information concerning the identity, financial standing and character of the proposed purchaser. You shall attach to such notice a copy of a binding agreement between you and the proposed purchaser, which agreement shall, however, be subject to cancellation if we exercise our right of first refusal hereunder or disapprove of the proposed transfer under Section 16.2.

16.4.2 Within thirty (30) days after our receipt of such notice (or, if we shall request additional information, within thirty (30) days after receipt of such additional information), we may, at our option, purchase the Franchised Business upon the terms and conditions specified in the notice and the agreement attached thereto.

16.4.3 If we shall elect not to exercise our right of first refusal and shall consent to an assignment, you shall, subject to the provisions of this Article, be free to assign this Agreement and/or the Franchised Business to such proposed assignee on the terms and conditions specified in said notice and the agreement attached thereto. If, however, the terms of such agreement shall be materially modified after submission thereof to us, we shall have such right to evaluate such modified agreement for an additional thirty (30) days and, if we choose to do so, exercise our right of first refusal with respect thereto.

16.5 Our Approval of Security Interest

You shall not have the right to pledge, encumber, hypothecate or otherwise give any third party any security interest in this Agreement or in the Proprietary Properties or the Franchised Business in any manner whatsoever without our express written permission, which permission may be withheld for any reason.

ARTICLE 17
DEFAULT AND TERMINATION

17.1 Automatic Termination

You shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate upon receipt of notice to you, if you, or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company, or the Franchised Business shall become insolvent; or if you shall make a general assignment for the benefit of creditors; or if a petition in bankruptcy is filed by or against you or the Franchised Business and is not dismissed within sixty (60) days of the filing thereof; or if you or the Franchised Business is adjudicated as bankrupt or insolvent; or if a bill in equity or other proceeding for the appointment of a receiver or other custodian of you or the Franchised Business or its assets is filed and consented to by you or the Franchised Business; or if a receiver or other permanent or temporary custodian of your assets or property, or any part thereof, or of the Franchised Business is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against you or the Franchised Business; or if a final judgment against you or the Franchised Business remains unsatisfied or of record for thirty (30) days or longer (unless a *supersedeas* bond is filed); or if you are or the Franchised Business is dissolved; or if a suit to foreclose any lien or mortgage against you or the Franchised Business with respect to your or its personal, real or mixed property is instituted against you or the Franchised Business and is not dismissed within thirty (30) days from the date such suit is instituted; or if execution is levied against you or the Franchised Business or the property of either of them; or if the real or personal property of you or the Franchised Business shall be sold after levy thereupon by any sheriff, marshal or constable.

17.2 Termination Without Right to Cure

Upon the occurrence of any of the following events, you shall be deemed to be in default, and we may, in our sole and exclusive discretion, terminate this Agreement and all rights granted hereunder without affording you any opportunity to cure the default. Termination under this Section shall be effective immediately upon the earlier of the occurrence of any of the following or receipt of notice by you:

17.2.1 If you abandon the Franchised Business by failing to operate such business for a period of ten (10) consecutive days, or any shorter period after which it is reasonable for us to conclude that you do not intend to continue to operate the Franchised Business, unless such failure to operate is due to fire, flood, earthquake, or other similar causes beyond your reasonable control;

17.2.2 If you, or any Principal of a corporate or limited liability company franchisee, or any partner or officer of a franchisee conducting business as a partnership, are convicted of a felony, a fraud, a crime involving moral turpitude or any other crime or offense that we believe is reasonably likely to have an adverse effect on the System, the Proprietary Marks, or the goodwill associated therewith;

17.2.3 If you make any material misrepresentation relating to the creation, acquisition or operation of the Franchised Business or engage in conduct which reflects materially and unfavorably upon the operation and reputation of the Franchised Business, us or the System;

17.2.4 If a third (3rd) default by you occurs within any twelve (12) month period, notwithstanding that a prior default was cured;

17.2.5 If your default under this Agreement is by its very nature incapable of being cured;

17.2.6 If you fail to attend and successfully complete our Training Program;

17.2.7 If you fail to meet the minimum Gross Revenues requirements a second (2nd) time during the term of this Agreement;

17.2.8 If you attempt, or if you complete, a transfer of the franchise without our prior consent as required under Article 16;

17.2.9 If you fail to comply with all applicable laws and ordinances relating to the Franchised Business, including Anti-Terrorism Laws, or if your or any of your Principal's assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your Principals otherwise violate any such law, ordinance, or regulation; or

17.2.10 If you default under any lease for the Approved Location or any Service Vehicle and such default is not cured according to the terms of such lease(s).

17.3 Termination With Right to Cure

Except as otherwise provided in this Agreement, you shall have either ten (10) or thirty (30) days after receipt from us of a written notice of termination in which to remedy any default hereunder (or, if the default cannot reasonably be cured within such ten (10) or thirty (30) day period, to initiate within that time substantial and continuing action to cure the default) and to provide evidence thereof to us. If any default is not cured within that time (or if substantial and continuing action to cure the default is not initiated within that time), or such other period as applicable law may require, this Agreement shall terminate without further notice to you effective immediately upon expiration of the applicable cure period, or such longer

period as applicable law may require. Such defaults shall include, without limitation, the occurrence of any of the following events:

17.3.1 If you fail, refuse or neglect promptly to pay when due any monies owed to us (or our affiliates, subsidiaries or designees) or to your landlord or fail, refuse or neglect promptly to submit financial or other information required by us under this Agreement, or make any false statements in connection therewith and do not correct such failure within ten (10) days;

17.3.2 If you fail to obtain our prior written approval or consent where the same is required pursuant to this Agreement and do not correct such failure within ten (10) days;

17.3.3 If you misuse, or use in an unauthorized manner, any of the Proprietary Marks, Know How, or Copyrights or materially impair the goodwill associated therewith or our rights therein and do not correct such default within ten (10) days;

17.3.4 If you participate in any business or in the marketing of any service or product under a name or mark which, in our opinion, is confusingly similar to any of the Proprietary Marks or if you (or any of your equity holders, directors, officers, partners or employees) acquire any interest in a Competitive Business, except that you or such other persons may own less than five percent (5%) of the shares of any company listed on any national or regional securities exchange or whose shares are traded through a recognized exchange and do not correct such default within ten (10) days;

17.3.5 If you violate or fail to comply with any state or federal law or ordinance that in any manner relates to or impacts upon the provision of or ability to provide junk removal and related services hereunder by you as an entity, or by any individuals who exercise any level of dominion or control over your operations, including, without limitation, a conviction based upon such a violation, allegation or charge of such violation without explanation that we shall deem to be reasonably satisfactory, or failure on your part to inform us of the existence of, threat of, charge or allegation of, or conviction of such violation, and do not correct such default within thirty (30) days;

17.3.6 If you violate any covenant not to compete set forth in Article 15 of this Agreement, following a thirty (30) day notice to cure;

17.3.7 If you fail to commence the operation of the Franchised Business within the time provided in this Agreement, following a thirty (30) day notice to cure;

17.3.8 If you fail or refuse to perform junk removal and related services for clients following a ten (10) day notice to cure;

17.3.9 If you fail to meet the minimum required Gross Revenues described herein and do not correct such failure following a thirty (30) day notice to cure; or

17.3.10 If you fail to comply with any other provision or requirement of this Agreement or the Operations Manual following a thirty (30) day notice to cure.

17.4 Cross-Defaults, Non-Exclusive Remedies, etc.

Any default by you (or any person/company affiliated with you) under this Agreement may be regarded as a default under any other agreement between us (or any of our affiliates) and you (or any of your affiliates). Any default by you (or any person/company affiliated with you) under any other agreement, including, but not limited to, any lease and/or sublease, between us (or any of our affiliates) and you (or

any person/company affiliated with you), and any default by you (or any person/company affiliated with you) under any obligation to us (or any of our affiliates) may be regarded as a default under this Agreement. Any default by you (or any person/company affiliated with you) under any lease, sublease, loan agreement, security interest or otherwise, whether with us, any of our affiliates and/or any third party may be regarded as a default under this Agreement and/or any other agreement between us (or any of our affiliates) and you (or any of your affiliates).

In each of the foregoing cases, we (and any of our affiliates) will have all remedies allowed at law, including termination of your rights (and/or those of any person/company affiliated with you) and our (and/or our affiliates') obligations. No right or remedy which we may have (including termination) is exclusive of any other right or remedy provided under law or equity and we may pursue any rights and/or remedies available.

17.5 Amendment Pursuant to Applicable Law

Notwithstanding anything to the contrary contained in this Article, if any valid, applicable law or regulation of a competent governmental authority having jurisdiction over this franchise and the parties hereto shall limit our rights of termination hereunder or shall require longer notice periods than those set forth above, this Agreement shall be deemed amended to satisfy the minimum notice periods or restrictions upon such termination required by such laws and regulations; provided, however, that such constructive amendment shall not be deemed a concession by us that the grounds for termination set forth herein do not constitute "good cause" for termination within the meaning ascribed to that term by any applicable law or regulation. We shall not be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, hearing or proceeding relating to this Agreement or the termination thereof.

17.6 Our Right to Discontinue Services to You

If you are in breach of any obligation under this Agreement, and we deliver to you a notice of termination pursuant to this Article 17, we have the right to suspend our performance of any of our obligations under this Agreement including, without limitation, the sale or supply of any services or products for which we are an approved supplier to you and/or suspension of your "click through" subpage on our website, until such time as you correct the breach.

ARTICLE 18
FURTHER OBLIGATIONS AND RIGHTS OF THE PARTIES UPON TERMINATION OR EXPIRATION

18.1 Discontinue Use of Proprietary Properties

In the event of termination or expiration of this Agreement, you shall forthwith discontinue the use of the Proprietary Marks, Know How, and Copyrights, and you shall not thereafter operate or do business under any name or in any manner that might tend to give the general public the impression that you are in any manner affiliated with us or a "Jiffy Junk" business, or any business similar thereto, and you shall not thereafter use, in any manner, or for any purpose, directly or indirectly, any of our confidential information, knowledge or know-how concerning the operation, products, services, trade secrets, procedures, policies, techniques or materials or by virtue of the relationship established by this Agreement, including, without limitation, the following:

18.1.1 Standards, specifications or descriptions of our products and services;

18.1.2 Our Operations Manual and any supplements thereto;

18.1.3 Any forms, advertising matter, marks, devices, signs, insignia, slogans or designs used from time to time in connection with the Franchised Business;

18.1.4 Any copyrights, trademarks, trade names and patents now or hereafter applied for or granted in connection therewith, or any marks, logos, words or phrases confusingly similar thereto or colorable imitations thereof;

18.1.5 Any telephone number listed in any telephone directory under the name "Jiffy Junk" or any similar designation or directory listing which relates to the Franchised Business; and

18.1.6 Any and all of the systems, procedures, techniques, criteria, concepts, designs, advertising and promotional techniques, products or service specifications, and all other components, specifications and standards which comprise (or in the future may comprise) part of the System.

18.2 Cancellation of Name

Upon termination or expiration of this Agreement, you shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains any name or mark identical or similar to "Jiffy Junk" or any other name, trademark or service mark of ours, and you shall furnish us with proof of discharge of this obligation within thirty (30) days following the termination or expiration of this Agreement.

18.3 We are Attorney-in-Fact

We may, if you fail or refuse to do so, execute in your name and on your behalf any and all documents necessary to cause discontinuation of your use of the name "Jiffy Junk" or any other related or similar name or use thereunder, and we are hereby irrevocably appointed by you as your attorney-in-fact to do so.

18.4 Continuation of Obligations

The expiration or termination of this Agreement shall be without prejudice to our rights against you, and such expiration or termination shall not relieve you of any of your obligations to us existing at the time of expiration or termination or terminate those obligations of yours which by their nature survive the expiration or termination of this Agreement.

18.5 Cease Using Telephone Numbers and Listings

Upon termination or expiration of this Agreement, you shall cease and desist from using any telephone number(s) listed in any telephone directory under the name "Jiffy Junk" or any other name similar thereto and, upon our demand, shall direct the telephone company servicing the Franchised Business to transfer said telephone number(s) to us, or to such other person or persons at such location or locations as we shall direct. In addition, you shall cease and desist from using any website, domain name, URL or internet listing related to the Proprietary Marks and shall direct the internet service provider servicing the Franchised Business to transfer said websites and listings to us, or to such other person or persons at such location or locations as we shall direct.

18.6 Payment of Sums Due

Upon termination or expiration of this Agreement, you shall promptly pay all sums owing to us (and our subsidiaries, affiliates or designees). In the event of termination based upon your default, such sums shall include all damages, costs and expenses (including actual attorneys' fees) incurred by us as a

result of the default. The obligation created hereunder shall give rise to and remain, until paid in full, a lien in our favor against any and all of the personal property, furnishings, equipment, signs, inventory, fixtures, Service Vehicles, or other assets owned by you at the time of default.

18.7 Post-Term Covenants

Upon termination or expiration of this Agreement, you shall comply with the post-term covenants not to compete set forth in Article 15 hereof.

18.8 Our Right to Purchase

Upon termination or expiration of this Agreement for any reason whatsoever, we or our designee shall have the option (but not the obligation) for a period of sixty (60) days from such termination or expiration to purchase all or a portion of your right, title and interest in the Franchised Business (including, without limitation, Service Vehicles, inventory and supplies) for a purchase price (the "Purchase Price") equal to the lesser of: (i) the depreciated book value of all tangible assets in place and owned by you as of the date of our (or our designee's) exercise of such option; or (ii) the fair market value of all such assets as determined by the application of generally accepted accounting principles less the total of (a) the amount of any indebtedness remaining against or secured by any such assets; (b) the amount of any indebtedness or obligation owed by you to us, our affiliates, subsidiaries or designees; (c) the amount of any indebtedness or obligation for which you or the Franchised Business are liable (directly or indirectly, contingently or otherwise) and for which we are or may become liable (directly or indirectly, contingently or otherwise) upon acquiring the Franchised Business or otherwise; and (d) all amounts advanced by us, or which we have paid, or which we have become obligated to pay, on your behalf for any reason whatsoever (including, without limitation, interim sums required to be advanced for operations prior to the date of our (or our designee's) exercise of the option granted hereunder).

18.8.1 If the parties cannot agree upon the Purchase Price within a reasonable time, an independent appraiser shall be designated by us, and his determination of the Purchase Price shall be binding on us and you. The cost of such appraisal shall be borne by you.

18.8.2 If we exercise our option to purchase the Franchised Business, the Purchase Price shall be payable as follows:

(a) Ten percent (10%) of the Purchase Price shall be paid at the closing of the purchase transaction by bank or certified check.

(b) The balance of the Purchase Price shall be paid over a period of three (3) years in thirty-six (36) equal monthly installments, the first monthly installment being made on the tenth (10th) day of the month following the month in which the initial payment is made. The obligation to make monthly installment payments shall be evidenced by a series of thirty-six (36) negotiable promissory notes of ours payable to the order of you, each bearing interest from the date of the closing at the published "Prime Rate" charged by Chase Bank, New York, New York, to its most substantial commercial clients and containing provisions to the effect that should any note be unpaid for more than ten (10) days after written notice of default, the remaining notes shall forthwith become due and payable without any further notice; provided, however, that we or any holder in due course shall have the right at any time after the calendar year in which the closing takes place to prepay the notes in multiples of One Thousand Dollars ($1,000) in inverse order of maturity, together with interest to the date of payment.

18.8.3 If we exercise our option to purchase the Franchised Business, you agree fully to cooperate in effectuating such transaction and undertakes to use your best efforts to provide us and our

designees with all such data and documentation as reasonably may be required to give effect to the purposes of this Section.

18.8.4 In the event we do not elect to exercise the foregoing option to purchase the Franchised Business, you shall immediately return to us all materials which bear any of the Proprietary Marks, trade names or copyrighted material. You shall also destroy any and all materials not otherwise required to be returned to us in accordance with this Agreement or the Operations Manual. Contemporaneously, you shall return to us all copies in your possession of materials and documents (including, among other things, the Operations Manual, corporate records and files, correspondence, brochures, agreements, and disclosure statements) relating to the grant or operation of the Franchised Business.

18.9 Discontinue Use; Modification

Upon expiration or termination, you shall immediately discontinue the use of each and every aspect of the Proprietary Properties, including the Proprietary Marks and trade dress, the custom designs on Service Vehicles, advertisements, brochures, tee shirts, clothing, or any other article of commercial or other use, and Know How, and thereafter shall no longer use or have the rights to use the Proprietary Properties, or any colorable or confusingly similar variations thereof, or any word, logo or figure similar to the Proprietary Marks or Know How. In the event of expiration or termination, you will be responsible for the payment of all legal fees, court costs, collection fees and interest incurred in enforcing this Agreement. In the event of any litigation between the parties hereto with respect to the subject matter hereof, the party in any such litigation in whose favor a judgment is entered shall be entitled to have and recover, and the other party agrees to pay, its reasonable attorneys' fees and expenses, in addition to any award to which may be otherwise entitled. In addition, you understand and agree that you shall immediately repaint any and all Service Vehicles that show markings similar to, or that would cause confusion of the public as misrepresenting, any connection to us or the System.

18.10 Liquidated Damages

Upon termination of this Agreement by us for cause, you agree to pay to us within fifteen (15) days after the effective date of this Agreement's termination, in addition to the amounts owed hereunder, liquidated damages equal to the then-current monthly Royalty Fee multiplied by (a) twenty-four (24), being the number of months in two (2) full years, or (b) the number of months remaining in the Agreement had it not been terminated, whichever is lower.

The parties hereto acknowledge and agree that it would be impracticable to determine precisely the damages we would incur from this Agreement's termination and the loss of cash flow from Royalty Fees due to, among other things, the complications of determining what costs, if any, we might have saved and how much the Royalty Fees would have grown over what would have been this Agreement's remaining term. The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages. The parties hereto further acknowledge and agree that this liquidated damages provision applies if we terminate this Agreement due to your willful non-compliance with the terms of and its obligations under this Agreement, your failure to cure a material default within the timeframes required herein, and your repeated, willful defaults of this Agreement.

The liquidated damages provision only covers our damages from the loss of cash flow from the Royalty Fees. It does not cover any other damages, including damages to our reputation with the public and damages arising from a violation of any provision of this Agreement other than the Royalty Fee section. You and each of your Principals agree that the liquidated damages provision does not give us an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the Royalty Fee section.

ARTICLE 19
MODIFICATION OF SYSTEM

19.1 You understand and agree that the System must not remain static if it is to meet (without limitation) presently unforeseen changes in technology, competitive circumstances, demographics, populations, consumer trends, societal trends and other marketplace variables, and if it is to best serve the interests of us, you, and the network of all other franchisees. Accordingly, you expressly understand and agree that we may from time to time change the components of the System, including, but not limited to, altering the products, programs, services, methods, standards, forms, policies and procedures of that System; abandoning the System altogether in favor of another system in connection with a merger, acquisition, other business combination or for other reasons; adding to, deleting from or modifying those products, programs and services which your Franchised Business is authorized and required to offer; modifying or substituting entirely the building, premises, vehicles, equipment, signage, trade dress, decor, color schemes and uniform specifications and all other unit construction, design, appearance and operation attributes which you are required to observe hereunder; and changing, improving, modifying or substituting the Proprietary Properties. You expressly agree to comply with any such modifications, changes, additions, deletions, substitutions and alterations; provided, however, that such changes shall not materially and unreasonably increase your obligations hereunder.

You shall accept, use and effectuate any such changes or modifications to, or substitution of, the System as if they were part of the System at the time that this Agreement was executed.

Notwithstanding the foregoing, you shall be obligated to replace your Service Vehicle as described in Section 9.5.

19.2 Except as provided herein, we shall not be liable to you for any expenses, losses or damages sustained by you as a result of any of the modifications contemplated hereby. You hereby covenant not to commence or join in any litigation or other proceeding against us or any third party complaining of any such modifications or seeking expenses, losses or damages caused thereby. Finally, you expressly waive any claims, demands or damages arising from or related to the foregoing activities including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.

ARTICLE 20
DISPUTE RESOLUTION

20.1 Severability and Substitution of Valid Provisions

Except as expressly provided to the contrary herein, each section, paragraph, term and provision of this Agreement, and any portion thereof, shall be considered severable and if, for any reason, any such portion of this Agreement is held to be invalid, contrary to, or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which we are a party, that ruling shall not impair the operation of, or have any other effect upon, such other portions of this Agreement as may remain otherwise intelligible, which shall continue to be given full force and effect and bind the parties hereto, although any portion held to be invalid shall be deemed not to be a part of this Agreement from the date the time for appeal expires, if you are a party thereto; otherwise upon your receipt of written notice of non-enforcement thereof from us. If any covenant herein which restricts competitive activity is deemed enforceable by virtue of its scope in terms of area, business activity prohibited and/or length of time, but would be enforceable by reducing any part or all thereof, you and we agree that same shall be enforced to the fullest extent permissible under

the laws and public policies applied in the jurisdiction in which enforcement is sought. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of or refusal to enter into a successor franchise agreement than is required hereunder, or the taking of some other action not required hereunder, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by us is invalid or unenforceable, the prior notice and/or other action required by such law or rule shall be substituted for the comparable provisions hereof, and we shall have the right, in our sole discretion, to modify such invalid or enforceable provision, specification, standard or operating procedure to the extent required to be valid and enforceable. Such modification(s) to this Agreement shall be effective only in such jurisdiction, unless we elect to give it greater applicability, and shall be enforced as originally made and entered into in all other jurisdictions. You agree to be bound by any such modification to this Agreement.

20.2 Waiver of Obligations

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice thereof to the other. Any waiver granted by us shall be without prejudice to any other rights we may have, will be subject to our continuing review and may be revoked, in our sole discretion, at any time and for any reason, effective upon delivery to you of ten (10) days' prior written notice. We and you shall not be deemed to have waived or impaired any right, power or option reserved by this Agreement by virtue of any custom or practice of the parties at variance with the terms hereof; any failure, refusal or neglect of us or you to exercise any rights under this Agreement or to insist upon exact compliance by the other with its obligations hereunder; any waiver, forbearance, delay, failure or omission by us to exercise any right, power or option, whether of the same, similar or different nature, with respect to other Jiffy Junk Franchised Businesses; or our acceptance of any payments due from you after any breach of this Agreement.

Neither we nor you shall be liable for loss or damage or deemed to be in breach of this Agreement if its failure to perform its obligations results from: (1) transportation shortages, inadequate supply of equipment, merchandise, supplies, labor, material or energy, or the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof; (2) compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state, or municipal government or any department or agency thereof; (3) acts of God; (4) fires, strikes, embargoes, war or riot; or (5) any other similar event or cause. Any delay resulting from any of said causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that said causes shall not excuse payments of amounts owed at the time of such occurrence or payment of Royalty Fees, Brand Development Fees, Lead and Review Generation Fees, or other payments due thereafter.

20.3 Injunctive Relief

Either party may institute in a court of competent jurisdiction an action or actions for temporary or preliminary injunctive relief. You agree that we may have such temporary or preliminary injunctive relief without bond, but upon due notice, and your sole remedy in the event of the entry of such injunctive relief shall be the dissolution of such injunctive relief, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby).

20.4 Rights of Parties are Cumulative

Our and your rights hereunder are cumulative and no exercises or enforcement by us or you of any right or remedy hereunder shall preclude the exercise or enforcement by us or you of any other right or remedy hereunder or which we or you are entitled by law to enforce.

20.5 Costs and Attorneys' Fees

If we are required to enforce this Agreement in a judicial or arbitration proceeding, you shall reimburse us for our costs and expenses, including, without limitation, reasonable accountants', attorneys', attorney assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by you to comply with this Agreement, you shall reimburse us for any of the above-listed costs and expenses incurred by us.

20.6 Arbitration

Except to the extent we elect to enforce the provisions of this Agreement by judicial process and injunction in our sole discretion, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud and the arbitrability of any matter) which have not been settled through negotiation will be settled by binding arbitration within Suffolk County, New York, under the authority of New York statutes (the "Statutes"). The arbitrator(s) will have a minimum of five (5) years of experience in franchising or distribution law and will have the right to award specific performance of this Agreement. If the parties cannot agree upon a mutually agreeable arbitrator, then the arbitration shall be conducted as per the selection method set forth in the Statutes. The proceedings will be conducted under the commercial arbitration rules of the American Arbitration Association, to the extent such rules are not inconsistent with the provisions of this arbitration provision or the Statutes. The decision of the arbitrator(s) will be final and binding on all parties. This Section will survive termination or non-extension of this Agreement under any circumstances. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof. During the pendency of any arbitration proceeding, you and we shall fully perform our respective obligations under this Agreement.

20.7 Venue

With respect to any claims, controversies or disputes which are not finally resolved through arbitration, or as otherwise provided above, you and your Principals hereby irrevocably submit themselves to the jurisdiction of the state courts and the Federal District Court for Suffolk County, New York. You and your Principals hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision. You and your Principals hereby agree that service of process may be made upon any of them in any proceeding relating to or arising out of this Agreement or the relationship created by this Agreement by any means allowed by New York or federal law. You and your Principals further agree that venue for any proceeding relating to or arising out of this Agreement shall be the county and state where we maintain our headquarters; provided, however, with respect to any action (1) for monies owed, (2) for injunctive or other extraordinary relief or (3) involving possession or disposition of, or other relief relating to, real property, we may bring such action in any State or Federal District Court which has jurisdiction.

20.8 Agreement Regarding Applicable Law and Venue

You, your Principals and we acknowledge that the parties' agreement regarding applicable state law and forum set forth in Sections 20.6, 20.7 and 20.10 herein provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising out of this Agreement or the parties' relationship created by this Agreement. Each of you, your Principals and we further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.

20.9 Waiver of Jury Trial; Limitation of Damages; etc.

We and you irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either of us against the other. Any and all claims and actions arising out of or relating to this Agreement, the relationship of you and us, or your operation of the Franchised Business, brought by either party hereto against the other, whether in arbitration, or a legal action, shall be commenced within two (2) years from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred.

You, your Principals and we hereby waive, to the fullest extent permitted by law, any right to or claim or any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against either party, their officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, either party shall be limited to the recovery of any actual damages sustained by it. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions of waiver by agreement of punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) shall continue in full force and effect.

20.10 Governing Law

Except as provided elsewhere in this Agreement (for example, with regard to the applicability of the Federal Arbitration Act, 9 U.S.C. §1 et seq. and the effect of federal preemption of state law by such Act) and except to the extent governed by the United States Trademark Act and other federal laws, the parties agree that this Agreement (including any claims, counter-claims or otherwise by you) and all other matters concerning the parties will be governed by, and construed and enforced in accordance with, the laws of the State of New York.

20.11 You May Not Withhold Payments

You agree that you will not, on grounds of our alleged nonperformance of any of our obligations hereunder, withhold payment of any Royalty Fees, Brand Development Fees, Lead and Review Generation Fees, amounts due to us for purchases by you or any other amounts due to us.

20.12 Binding Effect

This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest. Subject to our right to modify the Operations Manual, this Agreement shall not be modified except by written agreement signed by you and us.

20.13 Construction

The preambles and Attachments are a part of this Agreement, which together with the Operations Manual, constitutes the entire agreement of the parties, and there are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us. The term "Franchisee" as used herein is applicable to one or more persons, a corporation, limited liability company or a partnership, as the case may be, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine. If two or more persons are at any time Franchisee hereunder, their obligations and liabilities to us shall be joint and several. References to "Franchisee" and "transferee" which are applicable to an individual or individuals shall mean the principal owner(s) of the equity or operating control of Franchisee

or the transferee, if Franchisee or the transferee is a corporation, limited liability company or partnership. References to "controlling interest" in Franchise shall mean greater than fifty percent (50%) of the equity or voting control of Franchisee. The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit or construe the contents of such sections or paragraphs.

Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any action or request by you, we have the absolute right to refuse any request by you or to withhold our approval of any action by you that requires our approval. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party hereto.

20.14 Withholding Consent

In no event will you make any claim, whether directly, by way of setoff, counter-claim, defense or otherwise, for money damages or otherwise, by reason of any withholding or delaying of any consent or approval by us.

ARTICLE 21
GENERAL PROVISIONS

21.1 Relationship; Your Acknowledgments

You and we agree that there does not exist any fiduciary, trust or similar relationship between you and us, that the relationship between you and us is a normal commercial relationship between independent businesspeople intended for mutual but independent economic benefit and is not in any sense nor is intended to be a fiduciary, trust or similar relationship.

You shall acknowledge the truthfulness of the statements contained in Attachment 1 hereto. Your acknowledgments are an inducement for us to enter into this Agreement. You shall immediately notify us, prior to acknowledgment, if any statement in Attachment 1 is incomplete or incorrect.

21.2 Notices

Except as otherwise provided in this Agreement, any notice, demand or communication provided for herein shall be in writing, signed by the party giving the same, and personally delivered or deposited in the United States mail, first-class postage prepaid, certified mail, return receipt requested and electronically to the addresses set forth in the introductory paragraph of this Agreement, unless and until a different address has been designated by written notice to the other party. Either party may change its address for notice purposes by giving the other party written notice, as herein provided, of such change.

21.3 Gender

Reference to Franchisee as male, female, or no gender shall include male or female franchisee, general or limited partnership, joint venture, corporation, trust, or any other association or business entity, as relevant in the context.

21.4 Headings

Headings and captions contained herein are for convenience of reference only and shall not be taken into account in construing or interpreting this Agreement.

21.5 References

Any reference herein to any paragraph or other part of this Agreement shall be deemed to include a reference to every subordinate part and/or subparagraph thereof.

21.6 Time of the Essence

It is acknowledged and agreed by both parties that any delay in the performance of its obligations hereunder would irreparably and irrevocably injure the other party in the conduct of its business and the value of its property. The parties therefore agree that time is of the essence of this Agreement. Except as otherwise specifically permitted herein, no extension of time shall be implied, nor any delay allowed, in the timely and complete performance of all covenants herein contained.

21.7 Survival of Terms

Each provision of this Article 22 and those provisions hereinabove provided relating to covenants against post-termination/expiration use of the Proprietary Marks, Know How and Copyrights will be deemed to be self-executing and continue in full force and effect subsequent to and notwithstanding the expiration, termination, setting aside, cancellation, rescission, unenforceability or otherwise of this Agreement (or any part of it) for any reason, will survive and will govern any claim for rescission or otherwise. Each provision of this Agreement will be construed as independent of, and severable from, every other provision; provided that if any part of this Agreement is deemed unlawful in any way, the parties agree that such provision will be deemed interpreted and/or modified to the minimum extent necessary to make such provision lawful or, if such construction is not permitted or available, the remainder of this Agreement will continue in full force and effect. Each party reserves the right to challenge any law, rule or judicial or other construction which would have the effect of varying or rendering ineffective any provision of this Agreement.

21.8 Operation in the Event of Absence or Disability

In order to prevent any interruption of the Franchised Business operations which would cause harm to the Franchised Business, thereby depreciating the value thereof, you authorize us, who may, at our option, in the event that you are absent for any reason or are incapacitated by reason of illness and are unable, in our sole and reasonable judgment, to operate the Franchised Business, operate the Franchised Business for so long as we deem necessary and practical, and without waiver of any other rights or remedies we may have under this Agreement. All monies from the operation of the Franchised Business during such period of operation by us shall be kept in a separate account, and the expenses of the Franchised Business, including reasonable compensation and expenses for our representative, shall be charged to said account. If, as herein provided, we temporarily operate the Franchised Business franchised herein for you, you agree to indemnify and hold harmless us and any representative of ours who may act hereunder, from any and all acts which we may perform, as regards the interests of you or third parties.

21.9 Step-In Rights

If we determine in our sole judgment that the operation of the Franchised Business is in jeopardy, or if a default occurs, then in order to prevent an interruption of the Franchised Business which would cause harm to the System and thereby lessen its value, you authorize us to operate your business for as long as we deem necessary and practical, and without waiver of any other rights or remedies which we may have under this Agreement. In our sole judgment, we may deem you incapable of operating the Franchised Business if, without limitation, you are absent or incapacitated by reason of illness or death; you have failed to pay when due or have failed to remove any and all liens or encumbrances of every kind placed upon or against your Business; or we determine that operational problems require that Franchisor operate

Franchisee's Business for a period of time that we determine, in our sole discretion, to be necessary to maintain the operation of the Franchised Business as a going concern.

We shall keep in a separate account all monies generated by the operation of your Business, less the expenses of the Franchised Business, including reasonable compensation and expenses for our representatives. In the event of our exercise of the Step-In Rights, you agree to hold harmless us and our representatives for all actions occurring during the course of such temporary operation. You agree to pay all of our reasonable attorneys' fees and costs incurred as a consequence of our exercise of the Step-In Rights. If we temporarily operate the Franchised Business herein on your behalf, you also agree to pay us the then-current fee for the management and maintenance of the Franchised Business in your absence. Nothing contained herein shall prevent us from exercising any other right which we may have under this Agreement, including, without limitation, termination.

21.10 Consent to do Business Electronically

The parties to the Franchise Agreement hereby consent to do business electronically. Pursuant to the Uniform Electronic Transactions Act as adopted by the State of New York, the parties hereby affirm to each other that they agree with the terms of the Franchise Agreement and its Addenda, and by attaching their signature electronically to the Franchise Agreement, they are executing the document and intending to attach their electronic signature to it. Furthermore, the parties acknowledge that the other parties to the Franchise Agreement can rely on an electronic signature as the respective party's signature.

ARTICLE 22
SECURITY INTEREST

22.1 Collateral

You grant to us a security interest ("Security Interest") in all of the furniture, fixtures, equipment, signage, and realty (including your interests under all real property and personal property leases) of the Business, together with all similar property now owned or hereafter acquired, additions, substitutions, replacements, proceeds, and products thereof, wherever located, used in connection with the Business. All items in which a security interest is granted are referred to as the "Collateral".

22.2 Indebtedness Secured

The Security Interest is to secure payment of the following (the "Indebtedness"):

22.2.1 All amounts due under this Agreement or otherwise by you;

22.2.2 All sums which we may, at our option, expend or advance for the maintenance, preservation, and protection of the Collateral, including, without limitation, payment of rent, taxes, levies, assessments, insurance premiums, and discharge of liens, together with interest, or any other property given as security for payment of the Indebtedness;

22.2.3 All expenses, including reasonable attorneys' fees, which we incur in connection with collecting any or all Indebtedness secured hereby or in enforcing or protecting our rights under the Security Interest and this Agreement; and

22.2.4 All other present or future, direct or indirect, absolute or contingent, liabilities, obligations, and indebtedness of you to us or third parties under this Agreement, however created, and specifically including all or part of any successor term or extension of this Agreement, whether or not you execute any extension agreement or successor instruments.

22.2.5 Our security interest, as described herein, shall be subordinated to any financing related to your operation of the Business, including, but not limited to, a real property mortgage and equipment leases.

22.3 Additional Documents

You will from time to time as required by us join with us in executing any additional documents and one or more financing statements pursuant to the Uniform Commercial Code (and any assignments, extensions, or modifications thereof) in form satisfactory to us.

22.4 Possession of Collateral

Upon default and termination of your rights under this Agreement, we shall have the immediate right to possession and use of the Collateral.

22.5 Our Remedies in Event of Default

You agree that, upon the occurrence of any default set forth above, the full amount remaining unpaid on the Indebtedness secured shall, at our option and without notice, become due and payable immediately, and we shall then have the rights, options, duties, and remedies of a secured party under, and you shall have the rights and duties of a debtor under, the Uniform Commercial Code of New York (or other applicable law), including, without limitation, our right to take possession of the Collateral and without legal process to enter any premises where the Collateral may be found. Any sale of the Collateral may be conducted by us in a commercially reasonable manner. Reasonable notification of the time and place of any sale shall be satisfied by mailing to you pursuant to the notice provisions set forth above.

22.6 Special Filing as Financing Statement

This Agreement shall be deemed a Security Agreement and a Financing Statement. This Agreement may be filed for record in the real estate records of each county in which the Collateral, or any part thereof, is situated and may also be filed as a Financing Statement in the counties or in the office of the Secretary of State, as appropriate, in respect of those items of Collateral of a kind or character defined in or subject to the applicable provisions of the Uniform Commercial Code as in effect in the appropriate jurisdiction.

ARTICLE 23
SUBMISSION OF AGREEMENT

The submission of this Franchise Agreement to you does not itself constitute an offer to sell a franchise. This Franchise Agreement shall become effective only upon the execution thereof by us and you.

-Remainder of page intentionally left blank-

I HAVE READ THE FOREGOING AGREEMENT AND I HEREBY AGREE TO AND ACCEPT EACH AND ALL OF THE PROVISIONS.

FRANCHISOR:
JIFFY JUNK FRANCHISING LLC

By:_____
Name:_____
Title:_____

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

PRINCIPALS:

_____
Name:_____

_____
Name:_____

Attachment 1 to the
Jiffy Junk Franchising LLC Franchise Agreement

FRANCHISEE ACKNOWLEDGMENT STATEMENT

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

You hereby acknowledge the following:

1. You have conducted an independent investigation of all aspects relating to the financial, operational and other aspects of the business of operating the Franchised Business. You further acknowledge that, except as may be set forth in our Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement have been made to you by us and you and any and all Principals hereby waive any claim against us for any business failure you may experience as a franchisee under this Agreement.

2. You have conducted an independent investigation of the business contemplated by this Agreement and understand and acknowledge that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of you and your efforts as an independent business operation.

3. You agree that no claims of success or failure have been made to you prior to signing this Agreement and that you understand all the terms and conditions of this Agreement. You further acknowledge that this Agreement contains all oral and written agreements, representations and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.

4. You have no knowledge of any representations by us or our officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by this Agreement that are contrary to the terms of this Agreement or the documents incorporated herein. You acknowledge that no representations or warranties are made or implied, except as specifically set forth herein. You represent, as an inducement to our entry into this Agreement, that you have made no misrepresentations in obtaining this Agreement.

5. We expressly disclaim the making of, and you acknowledge that you have not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by this Agreement.

6. You acknowledge that our approval or designation of your territory does not constitute a warranty, recommendation or endorsement of the territory, nor any assurance by us that the operation of the Franchised Business in the territory will be successful or profitable.

7. You acknowledge that you have received the Jiffy Junk Franchise Disclosure Document with a complete copy of this Agreement and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which this Agreement was executed. You further

acknowledge that you have read such Franchise Disclosure Document and understand its contents.

8. You acknowledge that you have had ample opportunity to consult with your own attorneys, accountants and other advisors and that the attorneys for us have not advised or represented you with respect to this Agreement or the relationship thereby created.

9. You, together with your advisers, have sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by this Agreement.

10. You are aware of the fact that other present or future franchisees of ours may operate under different forms of agreement(s), and consequently that our obligations and rights with respect to our various franchisees may differ materially in certain circumstances.

11. It is recognized by the parties that we are also (or may become) a manufacturer or distributor of certain products under the Proprietary Marks licensed herein; and it is understood that we do not warrant that such products will not be sold within your Designated Territory by others who may have purchased such products from us.

12. Release of Prior Claims. BY EXECUTING THIS AGREEMENT, YOU AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF YOU AND SUCH PRINCIPAL'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE JIFFY JUNK FRANCHISING LLC, JIFFY JUNK LLC, JIFFY JUNK INDEMNITEES, AND ALL OF THEIR OFFICERS, DIRECTORS, SHAREHOLDERS, AGENTS AND SUCCESSORS AND ASSIGNS FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF. THIS RELEASE SHALL NOT APPLY TO ANY CLAIMS ARISING FROM REPRESENTATIONS MADE BY US IN OUR FRANCHISE DISCLOSURE DOCUMENT RECEIVED BY YOU.

Acknowledged this _____.

_____
Signature
Name:_____

Attachment 2 to the
Jiffy Junk Franchising LLC Franchise Agreement

DESIGNATED TERRITORY DESCRIPTION AND
APPROVED LOCATION ADDRESS

Designated Territory (insert map and/or define by zip codes):

[We utilize third party companies to gather zip code populous analytics to determine and assign franchise territory populations. We are not responsible for any errors, omissions or changes that are made by third party providers or the United States Postal Service in reference to zip code lines that appear in your Designated Territory.]

Radius = ___ miles

Approved Location Address:

_____

_____

_____

Attachment 3 to the
Jiffy Junk Franchising LLC Franchise Agreement

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT
(for trained employees and managers of Franchisee)

In consideration of my being a _____of _____ ("Franchisee"), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that:

1. Pursuant to a Franchise Agreement dated _____ (the "Franchise Agreement"), Franchisee has acquired the right and franchise from Jiffy Junk Franchising LLC (the "Company") to establish and operate a Jiffy Junk business (the "Franchised Business") and the right to use in the operation of the Franchised Business the Company's trade names, service marks, trademarks, logos, emblems, and indicia of origin (the "Proprietary Marks"), as they may be changed, improved and further developed from time to time in the Company's sole discretion, only in the Designated Territory as described in Attachment 2 to the Franchise Agreement.

2. The Company, as the result of the expenditure of time, skill, effort and resources has developed and owns a distinctive format and system (the "System") relating to the establishment and operation of Franchised Businesses, which provide junk removal and hauling services for residential and commercial clients. The Company possesses certain proprietary and confidential information relating to the operation of the System, which includes certain proprietary trade secrets, methods, techniques, formats, specifications, systems, procedures, methods of business practices and management, sales and promotional techniques and knowledge of, and experience in, the operation of the Franchised Business (the "Confidential Information").

3. Any and all information, knowledge, know-how, and techniques which the Company specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement.

4. As _____ of the Franchisee, the Company and Franchisee will disclose the Confidential Information to me in furnishing to me training programs, the Company's Confidential Operations Manuals (the "Manuals"), and other general assistance during the term of the Franchise Agreement.

5. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term of the Franchise Agreement, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

6. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as _____ of the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

7. Except as otherwise approved in writing by the Company, I shall not, while in my position with the Franchisee, either directly or indirectly for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any retail business or e-commerce business which: (a) is the same as, or substantially similar to, a Franchised Business; or (b) offers to sell or sells any products or services which are the same as, or substantially similar to, any of the products offered by a Franchised Business (a "Competitive Business"); and for a continuous uninterrupted period commencing upon the cessation or termination of my position with Franchisee, regardless of the cause for termination, or upon the expiration, termination, transfer, or assignment of the Franchise Agreement, whichever occurs first, and continuing for two (2) years thereafter, either directly or indirectly, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any Competitive Business that is, or is intended to be, located at or within:

7.1 Franchisee's Designated Territory, as defined in the Franchise Agreement ("Franchisee's Designated Territory");

7.2 Twenty-five (25) miles of Franchisee's Designated Territory; or

7.3 Twenty-five (25) miles of any Franchised Business operating under the System and the Proprietary Marks.

The prohibitions in this Paragraph 7 do not apply to my interests in or activities performed in connection with a Franchised Business. This restriction does not apply to my ownership of less than five percent (5%) beneficial interest in the outstanding securities of any publicly held corporation.

8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which the Company is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

9. I understand and acknowledge that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

10. The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Company and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the Franchisee and the Company all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and the Company, any claim I have against the Franchisee or the Company is a separate matter and does not entitle me to violate or justify any violation of this Agreement.

11. This Agreement shall be construed under the laws of the State of New York. The only way this Agreement can be changed is in writing signed by both the Franchisee and me.

Signature

Name

Address

Title

ACKNOWLEDGED BY FRANCHISEE

By:_____
Name:_____
Title:_____

Attachment 4 to the
Jiffy Junk Franchising LLC Franchise Agreement

INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE, AND TELEPHONE LISTING AGREEMENT

THIS INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE, AND TELEPHONE LISTING AGREEMENT (the "Agreement") is made and entered into this day of _____ (the "Effective Date"), by and between Jiffy Junk Franchising LLC, a New York limited liability company, with its principal place of business at 615 Sunrise Highway, West Babylon, New York, 11704 (the "Franchisor"), and _____, a(n) _____, with its principal place of business located at _____, and _____ _____'s principal(s), _____, an individual, residing at _____ _____, and _____, an individual, residing at _____ _____ ("Principal(s)"). _____ and Principal(s) shall be collectively referred to in this Agreement as the "Franchisee".

WHEREAS, Franchisee desires to enter into a franchise agreement with Franchisor for a Jiffy Junk business ("Franchise Agreement") which will allow Franchisee to conduct internet-based advertising, maintain social media accounts, use software, and use telephone listings linked to the Jiffy Junk brand.

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions

All terms used but not otherwise defined in this Agreement shall have the meanings set forth in the Franchise Agreement. "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. Internet Advertising and Telephone Listings

2.1 Interest in Websites, Social Media Accounts, Other Electronic Listings and Software. Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of Franchise Agreement, certain right, title, or interest in and to certain domain names, social media accounts, hypertext markup language, uniform resource locator addresses, access to corresponding internet websites, the right to hyperlink to certain websites and listings on various internet search engines, and the right to use certain software (collectively, "Electronic Advertising and Software") related to the Franchised Business or the Marks.

2.2 Interest in Telephone Numbers and Listings. Franchisee has or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, internet page, and other telephone directory listings (collectively, the "Telephone Listings") related to the Franchised Business or the Marks.

2.3 Transfer. On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately:

2.3.1 direct all internet service providers, domain name registries, internet search engines, other listing agencies and software companies (collectively, the "Internet and Software Companies") with which Franchisee has Electronic Advertising and Software: (i) to transfer all of Franchisee's interest in such Electronic Advertising and Software to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Electronic Advertising and Software, Franchisee will immediately direct the Internet and Software Companies to terminate such Electronic Advertising and Software or will take such other actions with respect to the Electronic Advertising and Software as Franchisor directs; and

2.3.2 direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the "Telephone Companies") with which Franchisee has Telephone Listings: (i) to transfer all Franchisee's interest in such Telephone Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Listings or will take such other actions with respect to the Telephone Listings as Franchisor directs.

2.4 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.4.1 Direct the Internet and Software Companies to transfer all Franchisee's interest in and to the Electronic Advertising and Software to Franchisor, or alternatively, to direct the Internet and Software Companies to terminate any or all of the Electronic Advertising and Software;

2.4.2 Direct the Telephone Companies to transfer all Franchisee's interest in and to the Telephone Listings to Franchisor, or alternatively, to direct the Telephone Companies to terminate any or all of the Telephone Listings; and

2.4.3 Execute such standard assignment forms or other documents as the Internet and Software Companies and/or Telephone Companies may require in order to affect such transfers or terminations of Franchisee's interest.

2.5 Certification of Termination. Franchisee hereby directs the Internet and Software Companies and Telephone Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.6 Cessation of Obligations. After the Internet and Software Companies and the Telephone Companies have duly transferred all Franchisee's interests as described in paragraph 2.3 above to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations with respect to the particular Electronic Advertising and Software and/or Telephone Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet and Software Companies and Telephone Companies for the respective sums Franchisee is obligated to pay to them for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such interests, or for any other obligations not subject to the Franchise Agreement or this Agreement.

3. **Miscellaneous**

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet and Software Companies and/or Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertible in, or in any way related to this Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, debts, claims, demands, or obligations that are related to or are based on this Agreement.

3.3 No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's interest in any matter hereunder.

3.4 Further Assurances. Franchisee agrees that at any time after the date of this Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Agreement, all provisions of the Franchise Agreement and attachments and schedules thereto shall remain in effect as set forth therein.

3.7 Survival. This Agreement shall survive the Termination of the Franchise Agreement.

3.8 Governing Law. This Agreement shall be governed by and construed under the laws of the State of New York, without regard to the application of New York conflict of law rules.

The undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
JIFFY JUNK FRANCHISING LLC

By:_____
Name:_____
Title:_____

PRINCIPALS:

_____
Name:_____

_____
Name:_____

Attachment 5 to the
Jiffy Junk Franchising LLC Franchise Agreement

AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS

_____ (Name of Person or Legal Entity)
_____(ID Number)

The undersigned depositor ("**Depositor**") hereby authorizes Jiffy Junk Franchising LLC ("**Franchisor**") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the depository designated below ("**Depository**") ("**Bank**") to debit or credit such account(s) pursuant to Franchisor's instructions.

_____	_____	
Depository	Branch	
_____	_____	_____
City	State	Zip Code
_____	_____	
Bank Transit/ABA Number	Account Number	

This authorization is to remain in full and force and effect until sixty (60) days after Franchisor has received written notification from Franchisee of its termination.

_____
Depositor

By:_____

Name:_____

Title:_____

Date:_____

Please attach a voided blank check, for purposes of setting up Bank and Transit Numbers.

Attachment 6 to the
Jiffy Junk Franchising LLC Franchise Agreement

GENERAL RELEASE

THIS AGREEMENT ("Agreement") is made and entered into this _____, by and between Jiffy Junk Franchising LLC, a New York limited liability company, having its principal place of business located at 615 Sunrise Highway, West Babylon, New York, 11704 (the "Franchisor"), and _____, a _____ with a principal address at _____ (hereinafter referred to as "Releasor"), wherein the parties hereto, in exchange for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments herein are set forth, do agree as follows:

1. Release by Releasor:

Releasor does for itself, its successors and assigns, hereby release and forever discharge generally the Franchisor and any affiliate, wholly owned or controlled corporation, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, or agent of any of them, from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Releasor may now have, or may hereafter claim to have or to have acquired against them of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and anti-trust statutes, rules or regulations, in any way arising out of or connected with the Agreement, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against the Franchisor, any affiliate, successor, assign, parent corporation, subsidiary, director, officer, shareholder, employee, agent, executor, administrator, estate, trustee or heir, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this Agreement. In the event Releasor breaches any of the promises, covenants, or undertakings made herein by any act or omission, Releasor shall pay, by way of indemnification, all costs and expenses of the Franchisor caused by the act or omission, including reasonable attorneys' fees.

2. Releasor hereto represents and warrants that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by Releasor party to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law. In the event that any claim, demand or suit shall be made or institute against any released party because of any such purported assignment, transfer or subrogation, the assigning or transferring party agrees to indemnify and hold such released party free and harmless from and against any such claim, demand or suit, including reasonable costs and attorneys' fees incurred in connection therewith. It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph.

3. Each party acknowledges and warrants that his, her or its execution of this Agreement is free and voluntary.

4. New York law shall govern the validity and interpretation of this Agreement, as well as the performance due thereunder. This Agreement is binding upon and inures to the benefit of the respective assigns, successors, heirs and legal representatives of the parties hereto.

5. In the event that any action is filed to interpret any provision of this Agreement, or to enforce any of the terms thereof, the prevailing party shall be entitled to its reasonable attorneys' fees and costs incurred therein, and said action must be filed in the State of New York.

6. This Agreement may be signed in counterparts, each of which shall be binding against the party executing it and considered as the original.

The parties hereto, intending to be legally bound hereby, have executed this agreement effective as of the date first above.

RELEASOR:

_____

JIFFY JUNK FRANCHISING LLC

By:_____
Name:_____
Title:_____

Attachment 7 to the
Jiffy Junk Franchising LLC Franchise Agreement

STATEMENT OF OWNERSHIP INTERESTS IN FRANCHISEE/ENTITY

Name	Percentage of Ownership

Attachment 8 to the
Jiffy Junk Franchising LLC Franchise Agreement

SPOUSAL GUARANTY

This Guaranty and Covenant (this "Guaranty") is given by the undersigned ("Guarantor") on ____ _____ (the "Effective Date"), to Jiffy Junk Franchising LLC, a New York limited liability company ("Franchisor"), in order to induce Franchisor to enter into that certain Franchise Agreement dated on or about the Effective Date hereof (the "Franchisee Agreement") with _____ _____, a(n) _____ _____, _____ and _____ (collectively "Franchisee").

Guarantor acknowledges that Guarantor is the spouse of Franchisee's Principal, as that term is used in the Franchise Agreement.

Guarantor acknowledges that Guarantor has read the terms and conditions of the Franchise Agreement and acknowledges that the execution of this Guaranty are in partial consideration for, and a condition to the granting of, the rights granted in the Franchise Agreement to Franchisee, and that Franchisor would not have granted these rights without the execution of this Guaranty by Guarantor.

Guarantor hereby individually makes, agrees to be bound by, and agrees to perform, all of the monetary obligations and non-competition covenants and agreements of the Franchisee as set forth in the Franchise Agreement, including but not limited to, the covenants set forth in Articles 14 and 15 of the Franchise Agreement ("Guaranteed Obligations"). Guarantor shall perform and/or make punctual payment to Franchisor of the Guaranteed Obligations in accordance with the terms of the Franchise Agreement or other applicable document forthwith upon demand by Franchisor.

This Guaranty is an absolute and unconditional continuing guaranty of payment and performance of the Guaranteed Obligations. This Guaranty shall not be discharged by renewal of any obligations guaranteed by this instrument, change in ownership or control of the Franchisee entity, transfer of the Franchise Agreement, the suffering of any indulgence to any debtor, extension of time of payment thereof, nor the discharge of Franchisee by bankruptcy, operation of law or otherwise. Presentment, demand, protest, notice of protest and dishonor, notice of default or nonpayment and diligence in collecting any obligation under any agreement between Franchisee and Franchisor are each and all waived by Guarantor and/or acknowledged as inapplicable. Guarantor waives notice of amendment of any agreement between Franchisee and Franchisor and notice of demand for payment by Franchisee. Guarantor further agrees to be bound by any and all amendments and changes to any agreement between Franchisee and Franchisor.

Franchisor may pursue its rights against Guarantor without first exhausting its remedies against Franchisee and without joining any other guarantor hereto and no delay on the part of Franchisor in the exercise of any right or remedy shall operate as a waiver of such right or remedy, and no single or partial exercise by Franchisor of any right or remedy shall preclude the further exercise of such right or remedy.

If other guarantors have guaranteed any and or all of the Guaranteed Obligations, their liability shall be joint and several to that of Guarantor.

Until all of the Guaranteed Obligations have been paid in full and/or performed in full, Guarantor shall not have any right of subrogation, unless expressly given to Guarantor in writing by Franchisor.

All Franchisor's rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between Franchisor and Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to Franchisor by law.

Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective.

This Guaranty shall extend to and inure to the benefit of Franchisor and its successors and assigns and shall be binding on Guarantor and its successors and assigns.

Guarantor has signed this Guaranty as of the date set forth above.

GUARANTOR - SPOUSE OF FRANCHISEE'S PRINCIPAL:

_____
Signature
Name:_____

Address:_____
_____
_____

EXHIBIT D TO THE DISCLOSURE DOCUMENT

MULTI-UNIT DEVELOPMENT AGREEMENT

JIFFY JUNK FRANCHISING LLC

MULTI-UNIT DEVELOPMENT AGREEMENT

_____

MULTI-UNIT DEVELOPER

_____

DATE OF AGREEMENT

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2 Minimum Performance Schedule
3 Development Area

JIFFY JUNK FRANCHISING LLC

MULTI-UNIT DEVELOPMENT AGREEMENT

THIS MULTI-UNIT DEVELOPMENT AGREEMENT ("Agreement") is made and entered into this _____, between Jiffy Junk Franchising LLC, a New York limited liability company, having its principal place of business at 615 Sunrise Highway, West Babylon, New York, 11704 ("we", "us" or "our"), and _____, an individual, whose principal address is _____ (hereinafter "you" or "your").

W I T N E S S E T H:

WHEREAS, we and our affiliate have designed and developed a method of developing and operating a business that provides junk removal and hauling services for residential and commercial clients. The businesses ("Jiffy Junk Business" or "Business") have distinctive business formats, methods, procedures, designs, layouts, standards and specifications, all of which we may improve, further develop and otherwise modify from time to time. Our system (the "System") includes, but is not limited to, certain distinctive, identifiable trade-dress; uniform standards of operation, quality and uniformity of products and services; procedures for inventory, management and financial control; training and assistance; and advertising and promotional programs, all of which may be changed, updated, improved and further developed by us from time to time;

WHEREAS, we and our affiliate have developed and use, promote and license certain trademarks, service marks and other commercial symbols in operating Jiffy Junk Businesses, including the mark "Jiffy Junk," which have gained and will continue to gain public acceptance and goodwill, and we may create, use and license other trademarks, service marks and commercial symbols for use in operating Businesses (collectively, the "Marks" or "Proprietary Marks");

WHEREAS, we and our affiliate continue to develop, use and control the use of such Marks in order to identify for the public the source of services and products marketed thereunder and under the System, and to represent the System's high standards of quality, appearance and service; and

WHEREAS, you wish to obtain certain development rights to open and operate Businesses operating under the Marks under the System within the Development Area described in this Agreement.

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party stated herein, hereby agree as follows:

SECTION 1
GRANT

1.1 We hereby grant to you, pursuant to the terms and conditions of this Agreement, certain development rights ("Development Rights") to establish and operate _____ (_____) Jiffy Junk Businesses, and to use the System solely in connection therewith at specific locations to be designated in separate Franchise Agreements executed as provided in Section 3.1 hereof, and pursuant to the schedule established in Attachment 2 of this Agreement (hereinafter "Minimum Performance Schedule"). Each Business developed hereunder shall be located in the area described in Attachment 3 of this Agreement (hereinafter "Development Area"). The Minimum Performance Schedule shall be deemed completed, and this Agreement shall expire, upon the opening of the last Jiffy Junk Business to be developed hereunder.

1.2 Each Business for which a Development Right is granted hereunder shall be established and operated pursuant to a Franchise Agreement to be entered into between you and us in accordance with Section 3.1 hereof.

1.3 Except as otherwise provided in this Agreement, we shall not establish, nor franchise anyone other than you to establish, a Business in the Development Area during the term of this Agreement, provided you are not in default hereunder.

1.4 This Agreement is not a Franchise Agreement and does not grant to you any right to use the Marks or System.

1.5 You shall have no right under this Agreement to franchise others under the Marks or System.

SECTION 2
RESERVATION FEE; INITIAL FRANCHISE FEES

2.1 In consideration of the Development Rights granted herein, you shall pay to us a reservation fee of equal to (i) Forty-Five Thousand Dollars ($45,000) for your first Jiffy Junk Business plus (ii) Twenty Thousand Dollars ($20,000) multiplied by the total number of additional Businesses to be developed pursuant to this Agreement (the "Reservation Fee"). The Reservation Fee is payable in a lump sum upon execution of this Agreement.

2.2 The Reservation Fee shall be fully earned by us upon execution of this Agreement, is not refundable, and will not be credited against any other fees you may pay to us pursuant to this Agreement or any Franchise Agreement.

2.3 Contemporaneous with the execution of this Agreement, you shall execute the Franchise Agreement for the first Jiffy Junk Business to be established pursuant to the Minimum Performance Schedule. You shall receive a Forty-Five Thousand Dollar ($45,000) credit from the Reservation Fee, which shall be applied as payment in full of the initial franchise fee due under the initial Franchise Agreement. Upon the execution of each additional Franchise Agreement for each additional Business to be developed hereunder, you shall receive a Twenty Thousand Dollar ($20,000) credit from the Reservation Fee and pay us a Twenty Thousand Dollar ($20,000) balance which shall be applied as payment in full of the initial franchise fee under such additional Franchise Agreement.

SECTION 3
SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

3.1 You shall assume all responsibility and expense for locating potential sites for Businesses and shall submit to us for our evaluation and approval, in the form specified by us, a description of the site, the terms of the lease or purchase, a market feasibility study for the site and such other information and materials as we may reasonably require, together with a letter of intent or other evidence satisfactory to us which confirms your favorable prospects for obtaining the site. We shall have thirty (30) days after receipt of such information and materials from you to approve or disapprove the site in our sole discretion. If the site is approved, you will then be presented with the Franchise Agreement for execution.

3.2 Recognizing that time is of the essence, you agree to exercise each of the Development Rights granted hereunder in the manner specified herein, and to satisfy the Minimum Performance Schedule in a timely manner. Your failure to adhere to the Minimum Performance Schedule shall constitute a default under this Agreement as provided in Section 9.1 hereof. Under no circumstances, however, may you open

a Business for business unless and until there is a fully executed Franchise Agreement in place for such Business, the initial franchise fee has been fully paid, and you have complied with all requirements under the Franchise Agreement for opening such Business.

3.3 You shall exercise each Development Right granted herein only by executing a Franchise Agreement for each Business at a site approved by us in the Development Area as hereinafter provided within ten (10) days after receipt of said Franchise Agreement from us for the approved site and return same to us for our execution. The Franchise Agreement for the first Development Right exercised hereunder has been executed contemporaneously with this Agreement. The Franchise Agreement for each additional Development Right exercised hereunder shall be the then-current Franchise Agreement, except that the Royalty Fees and Brand Development Fees shall not increase and shall be the same as stated in the first Franchise Agreement executed, subject to any non-material changes therein which are required to be made by changes in any applicable law, regulation or ordinance in effect from time to time. In the event we do not receive the properly executed Franchise Agreement with the appropriate number of copies within said ten (10) days from delivery thereof to you, our approval of the site shall be void, you shall have no rights with respect to said site and you shall be in default under this Agreement.

3.4 You acknowledge that our approval of a particular site for a Business by us shall not be deemed to be an assurance or guaranty that the Business will operate successfully or at a profit from such site.

3.5 You may enter into the initial Franchise Agreement or any subsequent Franchise Agreement as required under this Agreement using a newly formed entity, such as a limited liability company, corporation or partnership, for the sole purpose of entering into a Franchise Agreement and operating the Jiffy Junk Business pursuant thereto, provided that you shall also personally sign such Franchise Agreement as a principal.

SECTION 4
DEVELOPMENT RIGHTS AND OBLIGATIONS

4.1 Subject to the provisions of this Agreement, we grant to you the Development Rights, as described in Section 1.1.

4.2 Provided you are in full compliance with all the terms and conditions of this Agreement, including without limitation your development obligations described in Section 3.2, and you are in full compliance with all of your obligations under all franchise agreements executed pursuant to this Agreement, then during the term of this Agreement neither we nor any of our affiliates will develop or operate or grant franchises for the development or operation of Businesses within the Development Area, except the franchises that are granted to you pursuant to this Agreement and except as otherwise expressly provided in this Agreement.

4.3 Upon the termination or expiration of this Agreement, we and our affiliates shall have the right to develop and operate, and to grant to others development rights and franchises to develop and operate, Businesses within the Development Area subject only to the territorial rights granted to you with respect to Businesses operated by you pursuant to the Franchise Agreements and subject, further, to the right of first refusal described in Section 6 below.

4.4 We and our affiliates retain all rights with respect to Businesses, the Marks and the sale of any goods and services, anywhere in the world, including, without limitation, the right:

4.4.1 to offer and sell and to grant others the right to offer and sell the products and services offered at Businesses, both within and outside the Development Area, under trade and service marks other than the Marks and under any terms and conditions we deem appropriate;

4.4.2 to operate and to grant others the right to operate Businesses located outside the Development Area under any terms and conditions we deem appropriate and regardless of proximity to your Businesses; and

4.4.3 to acquire and operate a business operating one or more waste disposal or junk removal businesses located or operating in your Development Area, but if one of these businesses is located within your Development Area, it will not operate using the Proprietary Marks.

SECTION 5
RENEWAL

This Agreement shall not be subject to renewal; however, if you wish to purchase a new Development Area and continue to develop Businesses, we will, in good faith, negotiate a new Multi-Unit Development Agreement with you.

SECTION 6
TERM AND RIGHT OF FIRST REFUSAL

6.1 Unless sooner terminated in accordance with the terms of this Agreement, the term of this Agreement and all Development Rights granted hereunder shall expire on the date the last Business is opened pursuant to the Minimum Performance Schedule established in Attachment 2.

6.2 If, at any time or from time to time following the opening for business of all the Businesses in accordance with the Minimum Performance Schedule, we determine that it is desirable to operate one or more additional Businesses in the Development Area, and provided you have timely complied with the Minimum Performance Schedule and are then in compliance with all terms and conditions of all Franchise Agreements, you shall have a right of first refusal to obtain the Development Rights to such additional Businesses upon such reasonable terms and conditions as are then determined by us including, but not limited to, the imposition of a new Reservation Fee and the payment of the then-current initial franchise fee upon execution of the then-current Franchise Agreement. In such case, we shall advise you in writing of the terms and conditions for the acquisition of the Development Rights for such additional Businesses. You must notify us in writing within sixty (60) days of the receipt of such notice whether you wish to acquire the Development Rights to such additional Businesses. If you do not exercise this right of first refusal, in whole, we may, following the expiration of the sixty (60) day period, grant the Development Rights to such additional Businesses to any other person or persons on the same terms and conditions or we may elect to develop and construct any of such additional Businesses.

SECTION 7
YOUR OBLIGATIONS

You acknowledge and agree that:

7.1 Except as otherwise provided herein, this Agreement includes only the right to select sites for the establishment of Businesses and to submit the same to us for our approval in accordance with the terms of this Agreement. This Agreement does not include the grant of a license by us to you of any rights to use the Marks, the System, or to open or operate any Businesses within the Development Area. You

shall obtain the license to use such additional rights at each Business upon the execution of each Franchise Agreement by both you and us and only in accordance with the terms of each Franchise Agreement.

7.2 The Development Rights granted hereunder are personal to you and cannot be sold, assigned, transferred or encumbered, in whole or in part, except as stated in Section 11 hereof.

7.3 Except as provided in Section 6 hereof, the Development Rights granted hereunder are non-exclusive, and we retain the right, in our sole discretion:

7.3.1 To continue to construct and operate other Businesses and to use the System and the Marks at any location outside the Development Area, and to license others to do so.

7.3.2 To develop, use and franchise the rights to any trade names, trademarks, service marks, trade symbols, emblems, signs, slogans, insignia, or copyrights not designated by us as Marks for use with different franchise systems for the sale of the different products or services not in connection with the System at any location, on such terms and conditions as we may deem advisable and without granting you any rights therein.

7.4 You have sole responsibility for the performance of all obligations arising out of the operation of your business pursuant to this Agreement, including, but not limited to, the payment when due of any and all taxes levied or assessed by reason of such operation.

7.5 In all public records, in your relationship with other persons, and in any documents, you shall indicate clearly the independent ownership of your business and that the operations of said business are separate and distinct from the operation of a Jiffy Junk Business.

7.6 You shall at all times preserve in confidence any and all materials and information furnished or disclosed to you by us and you shall disclose such information or materials only to such of your employees or agents who must have access to it in connection with their employment. You shall not at any time, without our prior written consent, copy, duplicate, record or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person.

7.7 You shall comply with all requirements of federal, state and local laws, rules and regulations.

7.8 You shall at no time have the right to sub-franchise any of your Development Rights hereunder.

7.9 In no event shall any Business be opened for business unless and until a Franchise Agreement for such Business has been fully executed, the initial franchise fee for such Business has been paid, and you have complied with all of the requirements under the Franchise Agreement for opening such Business.

SECTION 8
OUR SERVICES

We shall, at our expense, provide the following services:

8.1 Review your site selection for conformity to our standards and criteria for selection and acquisition of sites upon our receipt of your written request for approval thereof.

8.2 Provide you with standard specifications for the interior and exterior design, improvements, equipment, furnishings, décor and signs identified with the Businesses as we make available to all multi-unit developers and franchisees from time to time.

8.3 Review of your site plan and final build-out plans and specifications for conformity to the construction standards and specifications of the System, upon our receipt of your written request for approval thereof.

8.4 Provide such other resources and assistance as may hereafter be developed and offered by us to our other multi-unit developers in our sole discretion.

SECTION 9
DEFAULT AND TERMINATION

9.1 The occurrence of any of the following events of default shall constitute good cause for us, at our option and without prejudice to any other rights or remedies provided for hereunder or by law or equity, to terminate this Agreement upon notice to you without opportunity to cure the default, except where prohibited by any applicable state or federal law, whereupon this Agreement shall be terminated in accordance with the provisions of any such law:

9.1.1 If you shall, in any respect, fail to meet the Minimum Performance Schedule.

9.1.2 If you shall purport to effect any assignment other than in accordance with Section 11 hereof.

9.1.3 Except as provided in Section 11 hereof, if you attempt to sell, assign, transfer or encumber this Agreement prior to the time that at least twenty-five percent (25%) of the Businesses to be constructed and opened for business in accordance with the Minimum Performance Schedule are, in fact, open or under construction.

9.1.4 If you make, or have made, any material misrepresentation to us in connection with obtaining this Agreement, any site approval hereunder, or any Franchise Agreement.

9.1.5 If you default in the performance of any obligation under any Franchise Agreement with us, provided such default results in the termination of the Franchise Agreement.

9.1.6 If you suffer a violation of any law, ordinance, rule or regulation of a governmental agency in connection with the operation of the Business, and permit the same to go uncorrected after notification thereof, unless there is a bona fide dispute as to the violation or legality of such law, ordinance, rule or regulation, and you promptly resort to courts or forums of appropriate jurisdiction to contest such violation or legality.

9.1.7 If you are convicted of, or have entered a plea of *nolo contendere* to, a felony, a crime involving moral turpitude, or other crime that we believe is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith, or our interests therein.

9.1.8 If you shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is

appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a *supersedeas* bond is filed); if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the premises or equipment is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable.

9.1.9 If you or any of your affiliates cease to operate all of the Businesses opened pursuant to the terms of this Agreement.

9.1.10 If you fail to comply with all applicable laws and ordinances relating to the Businesses developed under this Agreement, including Anti-Terrorism Laws, or if your assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you otherwise violate any such law, ordinance, or regulation.

9.2 Upon occurrence of any of the events stated in this Section 9.2, we may, without prejudice to any other rights or remedies contained in this Agreement or provided by law or equity, terminate this Agreement. Such termination shall be effective thirty (30) days after written notice (or such other notice as may be required by applicable state law) is given by us to you of any of such events, if such defaults are not cured within such period:

9.2.1 If you shall use the System or Marks, or any other names, marks, systems, insignia, symbols or rights which are our property except pursuant to, and in accordance with, a valid and effective Franchise Agreement.

9.2.2 If you violate any of the covenants as set forth in Section 12.1 of this Agreement.

9.2.3 If you shall fail to remit to us any payments pursuant to Section 2 when same are due.

9.2.4 If you shall begin work upon any Business at any site unless all the conditions stated in Section 3 hereof have been met.

9.2.5 If you fail to obtain our prior written approval or consent, including but not limited to site approval or site plan approval, as expressly required by this Agreement.

9.2.6 If you default in the performance of any other obligation under this Agreement.

9.2.7 If you open any Business for business before a Franchise Agreement for such Business has been fully executed and the initial franchise fee due to us has been paid.

SECTION 10
OBLIGATIONS FOLLOWING TERMINATION

10.1 Upon termination of this Agreement becoming effective for any reason, or upon expiration of the term hereof, you agree as follows:

10.1.1 To cease immediately any attempts to select sites on which to establish Businesses.

10.1.2 To cease immediately to hold yourself out in any way as a multi-unit developer of ours or to do anything which would indicate a relationship between you and us.

10.2 No right or remedy herein conferred upon or reserved to us is exclusive of any other right or remedy provided or permitted by law or in equity.

SECTION 11
TRANSFER OF INTEREST

11.1 This Agreement is personal to you and you shall neither sell, assign, transfer nor encumber this Agreement, the Development Rights, or any other interest hereunder, nor suffer or permit any such assignment, transfer or encumbrance to occur directly, indirectly or contingently by agreement or by operation of law without our prior written consent. You understand that this Agreement may not be pledged, mortgaged, hypothecated, given as security for an obligation or in any manner encumbered. The assignment or transfer of any interest, except in accordance with this Section shall constitute a material breach of this Agreement.

11.2 You have represented to us that you are entering into this Agreement with the intention of complying with its terms and conditions and not for the purpose of resale of the Development Rights hereunder. Therefore, you agree that any attempt to assign this Agreement, prior to the time that at least twenty-five percent (25%) of the Businesses to be constructed hereunder are opened or under construction, shall be deemed to be an event of default.

11.3 If you receive from an unaffiliated third party and desire to accept a bona fide written offer to purchase your business, Development Rights and interests, we shall have the option, exercisable within thirty (30) days after receipt of written notice setting forth the name and address of the prospective purchaser, the price and terms of such offer, and a copy of such offer and the other information stated in this Section 11.3, to purchase such business, Development Rights and interests, including your right to develop sites within the Development Area, on the same terms and conditions as offered by said third party. In order that we may have information sufficient to enable us to determine whether to exercise this option, we may require you to deliver to us certified financial statements as of the end of your most recent fiscal year and such other information about your business and operations as we may request. If we decline, or do not accept the offer in writing within thirty (30) days, you may, within thirty (30) days from the expiration of the option period, sell, assign and transfer your business, Development Rights and interest to said third party, provided we have consented to such transfer as required by this Section 11. Any material change in the terms of the offer prior to closing of the sale to such third party shall constitute a new offer, subject to the same rights of first refusal by us or our nominee, as in the case of an initial offer. Our failure to exercise the option afforded by this Section 11.3 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section with respect to the proposed transfer.

11.4 You acknowledge and agree that the restrictions on transfer imposed herein are reasonable and are necessary to protect the Development Rights, the System and the Marks, as well as our reputation and image, and are for the protection of us, you and other multi-unit developers and franchisees. Any assignment or transfer permitted by this Section 11 shall not be effective until we receive a completely executed copy of all transfer documents, and we consent in writing thereto.

11.5 Except as provided in this Section 11, we agree not to unreasonably withhold our consent to a sale, assignment or transfer by you hereunder. Consent to such transfer otherwise permitted or permissible as reasonable may be refused unless:

11.5.1 All of your obligations created by this Agreement, all other franchise documents, including all Franchise Agreements, and the relationship created hereunder are assumed by the transferee.

11.5.2 All ascertained or liquidated debts of you to us or our affiliated or subsidiary corporations are paid.

11.5.3 You are not in default hereunder.

11.5.4 We are reasonably satisfied that the transferee meets all of our requirements for new multi-unit developers, including but not limited to, good reputation and character, business acumen, operational ability, management skills, financial strength and other business considerations.

11.5.5 Transferee executes or, in appropriate circumstances, causes all necessary parties to execute, our standard form of Multi-Unit Development Agreement, Franchise Agreements for all Businesses open or under construction hereunder, and such other then-current ancillary agreements being required by us of new multi-unit developers on the date of transfer.

11.5.6 You execute a general release, in a form satisfactory to us, of any and all claims against us, our officers, directors, employees and principal stockholders of any and all claims and causes of action that you may have against us or any subsidiary or affiliated corporations in any way relating to this Agreement or the performance or non-performance thereof by us. You also agree to subordinate any claims you may have against the transferee to us and indemnify us against any claims by the transferee relating to misrepresentations in the transfer process, specifically excluding those representations made by us in the Franchise Disclosure Document given to the transferee.

11.5.7 You or transferee pay to us a transfer fee in an amount equal to fifty percent (50%) of our then-current initial franchise fee for a single unit franchise to cover our reasonable costs in effecting the transfer and in providing training and other initial assistance to transferee.

11.6 Upon the death or mental incapacity of any person with an interest of more than fifty percent (50%) in this Agreement, the executor, administrator or personal representative of such person shall transfer his interest to a third party approved by us within six (6) months. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as any *inter vivos* transfer. However, in the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions stated in Section 11.1 hereof, the personal representative of the deceased shall have a reasonable time, not to exceed six (6) months from the date said personal representative is appointed, to dispose of the deceased's interest or in the Development Rights, which disposition shall be subject to all the terms and conditions for transfers contained in this Agreement. It is understood and agreed, however, that notwithstanding the foregoing, the Minimum Performance Schedule shall be complied with as though no such death or mental incapacity had occurred. In the event the interest described above is not disposed of within such time, we shall have the right to terminate this Agreement, provided such termination had not previously occurred for failure to perform pursuant to the Minimum Performance Schedule, upon ninety (90) days' notice to your representative, or we shall have the right to re-purchase same at the same price being sought by your representative.

11.7 Our consent to a transfer by you or of any of the Development Rights pursuant to this Section shall not constitute a waiver of any claims we may have against the transferring party, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms of this Agreement by the transferee.

11.8 We shall have the right to assign this Agreement and all of our attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions: (i) the assignee shall, at the time

of such assignment, be financially responsible and economically capable of performing our obligations; and (ii) the assignee shall expressly assume and agree to perform such obligations.

You expressly affirm and agree that we may sell our assets, our rights to the Proprietary Marks or to the System outright to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Proprietary Marks (or any variation thereof) and/or the loss of association with or identification of "Jiffy Junk Franchising LLC" as Franchisor. Nothing contained in this Agreement shall require us to remain in the same business or to offer the same products and services, whether or not bearing the Proprietary Marks, in the event that we exercise our right to assign our rights in this Agreement.

SECTION 12
COVENANTS

12.1 You specifically acknowledge that, pursuant to this Agreement, you will receive valuable training and confidential information, including, without limitation, System standards, market research, advertising and promotional campaigns, approved suppliers, operating results of Businesses, proprietary software, the terms of this Agreement, the Operations Manual, and graphic designs and other intellectual property. You covenant that during the term of this Agreement, except as otherwise approved in writing by us, you shall not, either directly or indirectly, for yourself/himself, or through, on behalf of or in conjunction with any person, persons or legal entity:

12.1.1 Divert or attempt to divert any business or client of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

12.1.2 Own, maintain, advise, help, invest in, make loans to, be employed by, engage in or have any interest in any business other than a Jiffy Junk Business (including any business operated by you prior to entry into this Agreement), which business is of a character and concept similar to the Business, including a business which provides the same or substantially similar services (a "Competitive Business").

12.2 You covenant that, except as otherwise approved in writing by us, you shall not, for a continuous and uninterrupted period commencing upon the expiration or termination of this Agreement, and continuing for two (2) years thereafter (and, in case of any violation of this covenant, for two (2) years after the violation ceases), either directly or indirectly, for yourself, or through, on behalf of or in conjunction with any person, persons, partnership or corporation, own, maintain, advise, help, invest in, make loans to, be employed by, engage in or have any interest in any Competitive Business which is located within twenty-five (25) miles of any Jiffy Junk Business in the System.

12.3 Subsections 12.1.2 and 12.2 of this Section shall not apply to ownership by you of less than a five percent (5%) beneficial interest in the outstanding equity securities of any corporation which is registered under the Securities Exchange Act of 1934.

12.4 The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 12 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which we are a party, you expressly agree to be bound by any lesser covenant subsumed within

the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 12.

12.5 You understand and acknowledge that we shall have the right, in our sole discretion, to reduce the scope of any covenant stated in Sections 12.1 and 12.2 or any portion thereof, without your consent, effective immediately upon receipt by you of written notice thereof, and you agree that you shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 16 hereof.

12.6 You expressly agree that the existence of any claim you may have against us, whether or not arising from this Agreement, shall not constitute a defense to our enforcement of the covenants in this Section 12.

12.7 You acknowledge that any failure to comply with the requirements of this Section 12 would cause us irreparable injury for which no adequate remedy at law may be available, and you hereby accordingly consent to our seeking injunctive relief prohibiting any conduct by you in violation of the terms of this Section 12. We may further avail ourselves of any other legal or equitable rights and remedies which we may have under this Agreement or otherwise.

12.8 During the term of this Agreement, an officer or agent of ours shall have the right to inspect any Business in which you have an interest at reasonable times and during normal business hours to the extent reasonably necessary to determine whether the conditions of this Section 12 are being satisfied. If, by reason of such inspections or otherwise, we have reason to believe that you are not in full compliance with the terms of this Section, we shall give notice of such default to you, specifying the nature of such default. If you deny that you are in default hereunder, as specified by us, you shall have the burden of establishing that such default does not exist and shall give notice to us of your position within ten (10) days of receipt of the notice from us. Unless you so deny such default, you shall immediately take all steps to cure said default in a manner satisfactory to us.

SECTION 13
NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by certified or registered mail, return receipt requested, overnight delivery service or facsimile to the respective parties at the addresses in the introductory paragraph of this Agreement unless and until a different address has been designated by written notice to the other party. Any notice by certified or registered mail shall be deemed to have been given at the date and time of mailing.

SECTION 14
INDEPENDENT LICENSEE AND INDEMNIFICATION

14.1 The parties acknowledge and agree that you shall be an independent licensee and this Agreement does not create a fiduciary relationship between them, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer or servant of the other for any purpose. You understand and agree that you are and will be an independent licensee under this Agreement. Nothing in this Agreement may be interpreted as creating a partnership, joint venture, agency, employment or fiduciary relationship of any kind. Your employees are not our employees. Neither you nor any of your employees whose compensation you pay may in any way, directly or by implication, shall be considered our employee for any purpose, regardless of inclusion in mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. We will not have the power

to hire or terminate the employment of your employees. You expressly agree, and will never claim otherwise, that our authority under this Agreement to determine that certain of your employees are qualified to perform certain tasks for you does not directly or indirectly vest in us the power to influence the employment terms of any such employee.

You agree that you alone are to exercise day-to-day control over all operations, activities and elements of your business, and that under no circumstance shall we do so or be deemed to do so. You further acknowledge and agree, and will never claim otherwise, that the various restrictions, prohibitions, specifications and procedures of the System which you are required to comply with under this Agreement, whether set forth in our Operations Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your Business, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of your Business.

14.2 During the term of this Agreement, you shall hold yourself out to the public as an independent licensee conducting your operations pursuant to the rights granted by us. You agree to take such action as shall be reasonably necessary to that end, including, without limitation, exhibiting a notice of that fact in a conspicuous place on any premises established for the purposes hereunder and on all letterhead, business cards, forms, and as further described in the Operations Manual. We reserve the right to specify in writing the content and form of such notice.

You acknowledge and agree that any training we provide for your employees is geared to impart to those employees, with your ultimate authority, the various procedures, protocols, systems and operations of a Jiffy Junk Business and in no fashion reflects any employment relationship between us and such employees. If it is ever asserted that we are the employer, joint employer or co-employer of any of your employees in any private or government investigation, action, proceeding, arbitration or other setting, you irrevocably agree to assist us in defending said allegation, appearing at any venue requested by us to testify on our behalf; participating in depositions or other appearances; or preparing affidavits rejecting any assertion that we are the employer, joint employer or co-employer of any of your employees.

14.3 You understand and agree that nothing in this Agreement authorizes you to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name, and that we assume no liability for, nor shall be deemed liable by reason of, any act or omission of yours or any claim or judgment arising therefrom. You shall indemnify and hold us and our officers, directors, and employees harmless against any and all such claims arising directly or indirectly from, as a result of, or in connection with your activities hereunder, as well as the cost, including reasonable attorneys' fees, of defending against them, except that the foregoing shall not apply to infringement actions regarding the Marks which are caused solely by our actions or actions caused by the negligent acts of us or our agents.

SECTION 15
APPROVALS

15.1 Whenever this Agreement requires our prior approval or consent, you shall make a timely written request to us for such approval or consent, and, except as otherwise provided herein, any approval or consent granted shall be in writing.

15.2 We make no warranties or guaranties upon which you may rely, and assume no liability or obligation to you or any third party to which we would not otherwise be subject, by providing any waiver, approval, advise, consent or services to you in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor.

SECTION 16
NON-WAIVER

No failure of ours to exercise any power reserved to us under this Agreement or to insist upon compliance by you with any obligation or condition in this Agreement, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of our rights to demand exact compliance with the terms of this Agreement. Our waiver of any particular default shall not affect or impair our right with respect to any subsequent default of the same or of a different nature; nor shall any delay, forbearance or omission of ours to exercise any power or right arising out of any breach or default by you of any of the terms, provisions or covenants of this Agreement affect or impair our rights, nor shall such constitute a waiver by us of any rights hereunder or rights to declare any subsequent breach or default.

SECTION 17
SEVERABILITY AND CONSTRUCTION

17.1 Each covenant and provision of this Agreement shall be construed as independent of any other covenant or provision of this Agreement. The provisions of this Agreement shall be deemed severable.

17.2 If all or any portion of a covenant or provision of this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a decision to which we are a party, you expressly agree to be bound by any lesser covenant or provision imposing the maximum duty permitted by law which is subsumed within the terms of such covenant or provision, as if that lesser covenant or provision were separately stated in and made a part of this Agreement.

17.3 Nothing in this Agreement shall confer upon any person or legal entity other than us or you, and such of our respective successors and assigns as may be contemplated by Section 11 hereof, any rights or remedies under or by reason of this Agreement.

17.4 All captions in this Agreement are intended solely for the convenience of the parties and none shall be deemed to affect the meaning or construction of any provision hereof.

17.5 All references herein to gender and number shall be construed to include such other gender and number as the context may require, and all acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by you shall be deemed jointly and severally undertaken by all those executing this Agreement on your behalf.

17.6 This Agreement may be executed in multiple copies, each of which shall be deemed an original.

SECTION 18
ENTIRE AGREEMENT

This Agreement, the documents referred to herein and the Attachments hereto constitute the entire, full and complete agreement between us and you concerning the subject matter hereof and supersede any and all prior agreements; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us. No amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

SECTION 19
DISPUTE RESOLUTION; APPLICABLE LAW

19.1 Except to the extent we elect to enforce the provisions of this Agreement by judicial process and injunction in our sole discretion, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud and the arbitrability of any matter) which have not been settled through negotiation will be settled by binding arbitration within Suffolk County, New York, under the authority of New York statutes (the "Statutes"). The arbitrator(s) will have a minimum of five (5) years of experience in franchising or distribution law and will have the right to award specific performance of this Agreement. If the parties cannot agree upon a mutually agreeable arbitrator, then the arbitration shall be conducted as per the selection method set forth in the Statutes. The proceedings will be conducted under the commercial arbitration rules of the American Arbitration Association, to the extent such rules are not inconsistent with the provisions of this arbitration provision or the Statutes. The decision of the arbitrator(s) will be final and binding on all parties. This Section will survive termination or non-renewal of this Agreement under any circumstances. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof. During the pendency of any arbitration proceeding, you and we shall fully perform our respective obligations under this Agreement.

19.2 With respect to any claims, controversies or disputes which are not finally resolved through arbitration, or as otherwise provided above, you hereby irrevocably submit themselves to the jurisdiction of the state courts and the Federal District Court for Suffolk County, New York. You hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision. You hereby agree that service of process may be made upon you in any proceeding relating to or arising out of this Agreement or the relationship created by this Agreement by any means allowed by New York or federal law. You further agree that venue for any proceeding relating to or arising out of this Agreement shall be the county and state where we maintain our headquarters; provided, however, with respect to any action (1) for monies owed, (2) for injunctive or other extraordinary relief or (3) involving possession or disposition of, or other relief relating to, real property, we may bring such action in any State or Federal District Court which has jurisdiction.

19.3 Except as provided elsewhere in this Agreement (for example, with regard to the applicability of the Federal Arbitration Act, 9 U.S.C. §1 et seq. and the effect of federal preemption of state law by such Act) and except to the extent governed by the United States Trademark Act and other federal laws, the parties agree that this Agreement (including any claims, counter-claims or otherwise by you) and all other matters concerning the parties will be governed by, and construed and enforced in accordance with, the laws of the State of New York.

19.4 You and we acknowledge that the parties' agreement regarding applicable state law and forum set forth in Sections 19.1, 19.2 and 19.3 above provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising out of this Agreement or the parties' relationship created by this Agreement. Each of you and we further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.

19.5 You and we acknowledge that the execution of this Agreement and acceptance of the terms by the parties occurred in Suffolk County, New York, and further acknowledge that the performance of certain of your obligations arising under this Agreement, including, but not limited to, the payment of monies due hereunder and the satisfaction of certain training requirements of ours, shall occur in Suffolk County, New York.

19.6 You and we hereby waive, to the fullest extent permitted by law, any right to or claim or any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against either party, their officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, either party shall be limited to the recovery of any actual damages sustained by it. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions of waiver by agreement of punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) shall continue in full force and effect.

19.7 We and you irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either of us against the other. Any and all claims and actions arising out of or relating to this Agreement, the relationship of you and us, or your operation of the Franchised Business, brought by either party hereto against the other, whether in arbitration, or a legal action, shall be commenced within two (2) years from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred.

19.8 If we are required to enforce this Agreement in a judicial or arbitration proceeding, you shall reimburse us for our costs and expenses, including, without limitation, reasonable accountants', attorneys', attorney assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by you to comply with this Agreement, you shall reimburse us for any of the above-listed costs and expenses incurred by us.

SECTION 20
TIMELY PERFORMANCE

You hereby acknowledge that your timely development of the Businesses in the Development Area in accordance with the Minimum Performance Schedule is of material importance to us and you. You agree, as a condition of the continuance of the rights granted hereunder, to develop and open Businesses within the Development Area in accordance with the Minimum Performance Schedule, to operate such Businesses pursuant to the terms of the Franchise Agreements and to maintain all such Businesses in operation continuously. We agree to diligently act upon any request of or approval from you and any material delay in your ability to meet the Minimum Performance Schedule which is directly caused by our failure to act diligently upon a request for approval shall not constitute a default hereunder. Further, a failure or delay in performance by any party to this Agreement shall not be a default hereunder if such failure or delay arises out of or results from a Force Majeure, which for purposes of this Agreement shall be defined as fire, flood, earthquake or other natural disasters, or acts of a public enemy, war, rebellion or sabotage. Force Majeure shall not include your lack of financing.

SECTION 21
CERTIFICATION

You acknowledge the truthfulness of the statements contained in Attachment 1 hereto. Your certification is an inducement for us to enter into this Agreement. You shall immediately notify us, prior to certification, if any statement in Attachment 1 is incomplete or incorrect.

SECTION 22
EFFECTIVE DATE

This Agreement shall be effective as of the date it is executed by us.

The parties hereto have duly executed, sealed and delivered this Agreement in triplicate on the day and year first above written.

MULTI-UNIT DEVELOPER:

Name:_____

FRANCHISOR:
JIFFY JUNK FRANCHISING LLC

By:_____
Name:_____
Title:_____

JIFFY JUNK FRANCHISING LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

ATTACHMENT 1

CERTIFICATION BY MULTI-UNIT DEVELOPER

No statement, questionnaire, or acknowledgment signed or agreed to by a developer in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The undersigned, personally and as Multi-Unit Developer does hereby certify that he/she has conducted an independent investigation of the business contemplated by this Multi-Unit Development Agreement and the Jiffy Junk Franchising LLC Franchise Agreement, and that the decision to execute the Multi-Unit Development Agreement was based entirely upon the independent investigation by the undersigned; and the undersigned further certifies that he/she has not relied upon, in any way, any claims regarding potential sales, income, or earnings to be derived from the business contemplated by the Franchise Agreement and Multi-Unit Development Agreement, and has not relied upon any claims regarding past or current sales, income or earnings of Franchisor-operated Jiffy Junk outlets. The undersigned further certifies that he/she understands the risks involved in this investment and Jiffy Junk Franchising LLC makes no representation or guaranty, explicit or implied, that the Multi-Unit Developer will be successful or will recoup his/her investment.

The undersigned has signed, sealed and delivered this Certificate this day of _____ _____.

_____
Name:_____

_____
Name:_____

_____
Name:_____

JIFFY JUNK FRANCHISING LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

ATTACHMENT 2

MINIMUM PERFORMANCE SCHEDULE

The Agreement authorizes and obliges Multi-Unit Developer to establish and operate _____ (___) "Jiffy Junk" Businesses pursuant to a Franchise Agreement for each Business. The following is Multi-Unit Developer's Minimum Performance Schedule:

Minimum Cumulative Number of Franchise Agreements for Businesses to be located and Operating Within the Development Area	By this Date
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Total:_____

APPROVED:

MULTI-UNIT DEVELOPER:

_____
Name:_____

FRANCHISOR:
JIFFY JUNK FRANCHISING LLC

By:_____
Name:_____
Title:_____

JIFFY JUNK FRANCHISING LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

ATTACHMENT 3

DEVELOPMENT AREA

The following describes the Development Area within which Multi-Unit Developer may locate "Jiffy Junk" Businesses under this Agreement:

APPROVED:

MULTI-UNIT DEVELOPER:	FRANCHISOR: JIFFY JUNK FRANCHISING LLC
_____	
Name:_____	By:_____ Name:_____ Title:_____

EXHIBIT E TO THE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES
(as of August 31, 2022)

GEORGIA	
Prime Mover Waste Management LLC Calvin Mangunda 3372 Peachtree Road Northeast, Suite 115 Atlanta, Georgia 30326 404-905-8347 Atlanta	
NEW JERSEY	
RamJ Enterprises LLC* Charles Goldberg 65 Woodbine Street Bergenfield, New Jersey 07621 (917)251-3950 Bergen County East	RamJ Enterprises LLC* Charles Goldberg 185 Prospect Street, Suite 8-I Hackensack, New Jersey 07601 (917)251-3950 Essex County
RamJ Enterprises LLC* Charles Goldberg 14 Clover Street Tenafly, New Jersey 07670 (917)251-3950 Hudson County	
TEXAS	
Schenk Enterprise LLC David Schenk 709 Centerbrook Place Round Rock, Texas 78665 (512)785-5643 Austin/North Austin	

*Multi-Unit Developer

FORMER FRANCHISEES
(as of August 31, 2022)

that had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or has not communicated with the franchisor within the 10 weeks preceding the Issuance Date of this Disclosure Document:

CONNECTICUT	
Sunny Makhijani 1360 Whittier Avenue Merrick, New York 11566 (516)554-5220	

Dibash Kumar Das 84-20 20th Avenue, Apt C1 Brooklyn, New York 11214 *Terminated April 2022*	
NEW YORK	
Sunny Makhijani 1360 Whittier Avenue Merrick, New York 11566 (516)554-5220 Ujas Shah 69 Genesee Drive Commack, New York 11725 *Terminated March 2022*	TnR Service, Inc. Richard Vitello & Theresa Palmieri 19 Ellendale Court East Northport, New York 11731 (516)406-1007 *Terminated May 2022*
Sunny Makhijani 1360 Whittier Avenue Merrick, New York 11566 (516)554-5220 Ravi Motwani 772 Prospect Street Westfield, New Jersey 07090 *Terminated March 2022*	

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

EXHIBIT F TO THE DISCLOSURE DOCUMENT

TABLE OF CONTENTS OF OPERATIONS MANUAL

Table of Contents

Chapter 1 Introduction

- Franchisee financial considerations and personal history
- How to determine a business structure
- How to create a business plan
- How to create your initial budget
- Determine your insurance needs
- Securing customer data
- The importance of establishing yourself in your business community

Chapter 2 Site Selection

- How to determine the best location for your facility if applicable
- Planning your location search
- How to get your location approved by our corporate headquarters
- Site Selection Approval Form

Chapter 3 Lease Negotiation & Signage

- Truck leasing and finance options
- Commercial leasing & leasing considerations
- Signage considerations when negotiating a lease
- Signage specifications & standards for your office and vehicles

Chapter 4 Ethics

- What it means
- What it is
- How it Affects You and Your Business

Chapter 5 Office Design

- Jiffy Junk design standards
- Paint, furniture, and supply purchasing tips
- How to create an effective filing system
- Computer hardware and software recommendations
- Computer networking & additional data security

Chapter 6 Finance

- How to open a business bank account
- How to create a budget
- Bookkeeping basics

Chapter 7 Communications

- Training & other resources available to you and your employees
- How to communicate with our corporate headquarters
- Additional internet resources

Chapter 8 Marketing

- Our industry, our competition, and our target customer
- Media planning & costs
- Public relations
- Local store marketing
- Social media marketing
- SEM/ PPC Advertising

Chapter 9 Staffing & Office Procedures

- Recruiting tips
- How to interview, hire and train employees
- How to set up personnel records
- Business hour expectations & recommendations

Chapter 10 Customer Service

- Customer retention and review gathering tips
- How to handle a customer complaint
- Thanking your customer and asking for referrals

EXHIBIT G TO THE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

JIFFY JUNK FRANCHISING LLC

Financial Statements For The Twelve-Month Periods Ended
August 31, 2022 & August 31, 2021

TOGETHER WITH INDEPENDENT ACCOUNTANT AUDIT REPORT

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CPA GROUP

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omar@napercpa.com

INDEPENDENT ACCOUNTANT AUDIT REPORT

To the Management of JIFFY JUNK FRANCHISING LLC

We have audited the accompanying financial statements of JIFFY JUNK FRANCHISING LLC (the "Company"), which comprise the Balance Sheet as of August 31, 2022 & August 31, 2021, the related Profit & Loss Statements, the related Statements of Cashflows, and the related Statements of Shareholders Equity for the twelve-month periods then ended.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of JIFFY JUNK FRANCHISING LLC as of August 31, 2022 & August 31, 2021, and the results of its operations and its cash flows for the twelve-month periods then ended in accordance with accounting principles generally accepted in the United States of America.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Omar Alnuaimi, CPA

Naperville, IL
November 22, 2022

JIFFY JUNK FRANCHISING LLC
PROFIT & LOSS STATEMENT
FOR THE TWELVE MONTH PERIODS ENDED AUGUST 31, 2022 & AUGUST 31, 2021

	2022	2021
Revenue		
Service & Royalty Revenue	$6,000,412	$2,815,105
Franchise Fee Revenue	174,996	119,984
Total Revenue	6,175,408	2,935,089
Cost of Sales	4,624,307	1,784,411
Gross Profit	1,551,101	1,150,678
Operating Expense		
Advertising & Marketing	211,352	159,183
Salaries & Wages Expense	493,991	111,117
Legal & Professional Services	469,877	99,269
Professional Dues & Subscriptions	34,842	42,411
Office Supplies & Software	53,665	31,062
Sales Commissions Expense	83,695	29,803
Repairs & Maintenance	66,225	13,274
Travel Expense	23,676	13,012
Office/General Administrative Expenses	38,453	10,393
Insurance Expense	33,792	7,329
Bank Fees	6,180	6,653
Total Operating Expenses	1,515,748	523,506
Net Income From Operations	35,353	627,172
Other Income (Expense)		
Misc. Income	77,932	-
Interest Expense	(4,262)	(103)
Total Other Income (Expense)	73,670	(103)
Net Income Before Provision for Income Tax	109,023	627,069
Provision for Income Taxes	-	-
Net Income	$ 109,023	$ 627,069

See Independent Accountant's Audit Report and accompanying notes, which are an integral part of these financial statements.

JIFFY JUNK FRANCHISING LLC
BALANCE SHEET
AS OF AUGUST 31, 2022 & AUGUST 31, 2021

	8/31/2022	8/31/2021
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 471,189	$162,913
Accounts Receivable	1,093,052	830,499
Other Receivables	6,900	1,000
TOTAL CURRENT ASSETS	1,571,141	994,412
NON-CURRENT ASSETS		
Fixed Assets	84,967	-
Due From Related Party	107,605	-
TOTAL NON-CURRENT ASSETS	192,572	-
TOTAL ASSETS	1,763,713	994,412
LIABILITIES AND OWNER'S EQUITY		
CURRENT LIABILITIES		
Company Credit Card & Payables	949,479	151,152
Deferred Revenue	185,833	175,334
TOTAL CURRENT LIABILITIES	1,135,312	326,486
NON-CURRENT LIABILITIES		
TOTAL NON-CURRENT LIABILITIES	-	-
TOTAL LIABILITIES	1,135,312	326,486
OWNER'S EQUITY		
Retained Earnings (Deficit)	519,377	40,858
Net Income (Loss)	109,023	627,069
TOTAL SHAREHOLDERS' EQUITY	628,400	667,927
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$1,763,713	$994,412

See Independent Accountant's Audit Report and accompanying notes, which are an integral part of these financial statements.

JIFFY JUNK FRANCHISING LLC
STATEMENT OF CASHFLOWS
FOR THE TWELVE MONTH PERIODS ENDED AUGUST 31, 2022 & AUGUST 31, 2021

	2022	2021
OPERATING ACTIVITIES		
Net Income	$109,023	$627,069
Non-Cash Adjustments		
Increase in Accounts Receivable	(262,553)	(704,797)
Increase in Other Receivables	(5,900)	(1,000)
Increase in Company Credit Card & Payables	798,327	88,116
Decrease in Deferred Revenue	10,500	(15,500)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	649,397	(6,112)
INVESTING ACTIVITIES		
Fixed Assets	(84,967)	-
Due From Related Party	(107,605)	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(192,572)	-
FINANCING ACTIVITIES		
Owner's Distributions	(148,550)	(68,350)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(148,550)	(68,350)
NET INCREASE (DECREASE) IN CASH	308,275	(74,462)
CASH AT BEGINNING OF PERIOD	162,913	237,376
CASH AT END OF PERIOD	$471,189	$162,913

See Independent Accountant's Audit Report and accompanying notes, which are an integral part of these financial statements.

JIFFY JUNK FRANCHISING LLC
STATEMENT OF SHAREHOLDERS' EQUITY
AS OF AUGUST 31, 2022 & AUGUST 31, 2021

	Opening Equity Balance	Yearly Changes	Total
Balance, September 1, 2020	$ 109,209	$ -	$ 109,209
Net Income for the period ending August 31, 2021	-	627,069	627,069
Equity Contributions (Distributions)	-	(68,350)	(68,350)
Balance, August 31, 2021	**$ 109,209**	**$ 558,719**	**$ 667,927**

	Opening Equity Balance	Yearly Changes	Total
Balance, September 1, 2021	$ 667,927	$ -	$ 667,927
Net Income for the period ending August 31, 2022	-	109,023	109,023
Equity Contributions (Distributions)	-	(148,550)	(148,550)
Balance, August 31, 2022	**$ 667,927**	**$ (39,527)**	**$ 628,400**

See Independent Accountant's Audit Report and accompanying notes, which are an integral part of these financial statements.

NOTE A – ORGANIZATION AND NATURE OF ACTIVITIES

JIFFY JUNK FRANCHISING LLC (the "Company") was organized in 2017 under the state laws of New York for the purpose of offering franchise opportunities to entrepreneurs who want to own their own "JIFFY JUNK" location, as a franchise.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). As a result, the Company records revenue when earned and expenses when incurred. The Company has adopted the calendar year as its basis of reporting.

Use of Estimates

The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expense during the reporting period. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, and makes adjustments when facts and circumstances dictate. These estimates are based on information available as of the date of the financial statements; therefore, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and any cash equivalents include all cash balances, and highly liquid investments with maturities of three months or less when purchased.

Accounts Receivable

The Company's trade receivables are recorded when billed and represent claims against third parties that will be settled in cash. The carrying value of the Company's receivables, net of the allowance for doubtful accounts, represents their estimated net realizable value.

The Company evaluates the collectability of accounts receivable on a customer-by-customer basis. The Company records a reserve for bad debts against amounts due to reduce the net recognized receivable to an amount the Company believes will be reasonably collected. The reserve is a discretionary amount determined from the analysis of the aging of the accounts receivables, historical experience and knowledge of specific customers. As of August 31, 2022 & August 31, 2021, The Company assessed its customer receivables and determined there is no justification for an allowance for doubtful accounts.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Fixed Assets and Depreciation

Property and Equipment is stated at cost. Accounting principles generally accepted in the United States of America require that property and equipment be depreciated using the straight-line method, which are reflected in the Company's financial statements. Expenditures for normal repairs and maintenance are charged to operations as incurred.

The Company reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying value of such assets may not be fully recoverable. Impairment is present when the sum of the undiscounted estimated future cash flows expected to result from use of the assets is less than carrying value. If impairment is present, the carrying value of the impaired asset is reduced to its fair value. As of August 31, 2022 & August 31, 2021, no impairment loss has been recognized for long-lived assets.

Fair Value of Financial Instruments

Financial Accounting Standards Board ("FASB") guidance specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are as follows:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 primarily consists of financial instruments whose value is based on quoted market prices such as exchange-traded instruments and listed equities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (e.g., quoted prices of similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active).
- Level 3 - Unobservable inputs for the asset or liability. Financial instruments are considered Level 3 when their fair values are determined using pricing models, discounted cash flows or similar techniques and at least one significant model assumption or input is unobservable.

As of August 31, 2022 & August 31, 2021, the carrying amounts of the Company's financial assets and liabilities reported in the balance sheets approximate their fair value.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Revenue Recognition

Revenues are primarily derived from franchise fees (one-time and recurring monthly fees). In accordance with Accounting Standards Codification (ASC) Topic 606, Revenue will be recognized when persuasive evidence of an arrangement exists, delivery has occurred, or services have been rendered, the seller's price to the buyer is fixed or determinable, and collectability is reasonable assured. The determination of whether fees and fixed or determinable and collection is reasonable assured involves the use of assumptions. Arrangement terms and customer information are evaluated to ensure that these criteria are met prior to recognition of revenue.

Specifically for franchisors, The Financial Accounting Standards Board (FASB) has issued an Accounting Standards Update (ASU) to ASC 606, Franchisors—'Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient' in 2021 which provides a new practical expedient that permits private company franchisors to account for preopening services provided to a franchisee as distinct from the franchise license if the services are consistent with those included in a predefined list within the guidance. The Company has elected to adopt this new standard.

Deferred Revenue

The Company's primarily performance obligation under the franchise agreement mainly includes granting certain rights to access the Company's intellectual property and a variety of activities relating to opening a franchise unit, including initial training and other such activities commonly referred to collectively as "pre-opening activities", which are recognized as a single performance obligation. The Company expects that certain pre-opening activities provided to the franchisee will not be brand specific and will provide the franchisee with relevant general business information that is separate and distinct from the operation of a company-branded franchise unit. The portion of pre-opening activities that will be provided that is not brand specific is expected to be distinct as it will provide a benefit to the franchisee and is expected not to be highly interrelated or interdependent to the access of the Company's intellectual property, and therefore will be accounted for as a separate distinct performance obligation. All other pre-opening activities are expected to be highly interrelated and interdependent to the access of the Company's intellectual property and therefore will be accounted for as a single performance obligation, which is satisfied by granting certain rights to access the Company's intellectual property over the term of each franchise agreement.

The Company estimates the stand-alone selling price of pre-opening activities using an adjusted market assessment approach. The Company will first allocate the initial franchise fees and the fixed consideration, under the franchise agreement to the standalone selling price of the training services that are not brand specific and the residual, if any, to the right to access the Company's intellectual property. Consideration allocated to pre-opening activities, which are not brand specific are recognized ratably as those services are rendered. Consideration allocated to pre-opening activities included under Accounting Standards Update (ASU) to ASC 606, Franchisors—'Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient' is recognized when the related services have been rendered.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Deferred Revenue (cont.)

The remaining franchisee fee not allocated to pre-opening activities are recorded as Unearned Revenue and will be recognized over the term of the franchise agreement.

Income Taxes

The Company, with the consent of its shareholders, has elected to be an S-Corporation (for tax purposes). In lieu of corporate income taxes, the shareholder(s) of an S-Corporation is taxed based on its proportionate share of The Company's taxable income. Therefore, no provision or liability for income taxes has been included in these financial statements.

Commitments and Contingencies

The Company may be subject to pending legal proceedings and regulatory actions in the ordinary course of business. The results of such proceedings cannot be predicted with certainty, but the Company does not anticipate that the final outcome, if any, arising out of any such matter will have a material adverse effect on its business, financial condition or results of operations. As of August 31, 2022 & August 31, 2021, the Company has not reported any lawsuit or known plans of litigation by or against the Company.

NOTE C – EQUITY

The Company is 100% owned by its two sole shareholders, Robert Palumbo & Adam Butler.

NOTE D – CONCENTRATIONS OF RISK

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents. The Company places its cash and any cash equivalents with a limited number of high-quality financial institutions and do not exceed the amount of insurance provided on such deposits.

NOTE E – SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 22, 2022, the date the financial statements were available to be issued. Based on this evaluation, no additional material events were identified which require adjustment or disclosure in the financial statements.

JIFFY JUNK FRANCHISING LLC

Financial Statements For The Twelve-Month Period Ended August 31, 2021

TOGETHER WITH INDEPENDENT ACCOUNTANT AUDIT REPORT

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INDEPENDENT ACCOUNTANT AUDIT REPORT

To the Management of JIFFY JUNK FRANCHISING LLC

We have audited the accompanying financial statements of JIFFY JUNK FRANCHISING LLC (the "Company"), which comprise the Balance Sheet as of August 31, 2021, the related Profit & Loss Statement, the related Statement of Cashflows, and the related Statement of Shareholders Equity for the twelve-month period then ended.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of JIFFY JUNK FRANCHISING LLC as of August 31, 2021, and the results of its operations and its cash flows for the twelve-month period then ended in accordance with accounting principles generally accepted in the United States of America.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Omar Alnuaimi, CPA

Naperville, IL
December 30, 2021

JIFFY JUNK FRANCHISING LLC
PROFIT & LOSS STATEMENT
FOR THE TWELVE MONTH PERIOD ENDED AUGUST 31, 2021

Revenue	
Service & Royalty Revenue	$2,815,105
Franchise Fee Revenue	119,984
Total Revenue	2,935,089
Cost of Sales	1,784,411
Gross Profit	1,150,678
Operating Expense	
Advertising & Marketing	159,183
Salaries & Wages Expense	111,117
Legal & Professional Services	99,269
Professional Dues & Subscriptions	42,411
Office Supplies & Software	31,062
Sales Commissions Expense	29,803
Repairs & Maintenance	13,274
Travel Expense	13,012
Office/General Administrative Expenses	10,393
Insurance Expense	7,329
Bank Fees	6,653
Total Operating Expenses	523,506
Net Income From Operations	627,172
Other Income (Expense)	
Misc. Income	(103)
Total Other Income (Expense)	(103)
Net Income Before Provision for Income Tax	627,069
Provision for Income Taxes	-
Net Income (Loss)	$ 627,069

See Independent Accountant's Audit Report and accompanying notes, which are an integral part of these financial statements.

JIFFY JUNK FRANCHISING LLC
BALANCE SHEET
AS OF AUGUST 31, 2021

ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	$162,913
Accounts Receivable	830,499
Other Receivables	1,000
TOTAL CURRENT ASSETS	994,412
NON-CURRENT ASSETS	
TOTAL NON-CURRENT ASSETS	-
TOTAL ASSETS	994,412
LIABILITIES AND OWNER'S EQUITY	
CURRENT LIABILITIES	
Company Credit Card & Payables	151,152
Deferred Revenue	175,334
TOTAL CURRENT LIABILITIES	326,486
NON-CURRENT LIABILITIES	
TOTAL NON-CURRENT LIABILITIES	-
TOTAL LIABILITIES	326,486
OWNER'S EQUITY	
Retained Earnings (Deficit)	40,858
Net Income (Loss)	627,069
TOTAL SHAREHOLDERS' EQUITY	667,927
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$994,412

See Independent Accountant's Audit Report and accompanying notes, which are an integral part of these financial statements.

JIFFY JUNK FRANCHISING LLC
STATEMENT OF CASHFLOWS
FOR THE TWELVE MONTH PERIOD ENDED AUGUST 31, 2021

OPERATING ACTIVITIES	
Net Income	$627,069
Non-Cash Adjustments	
Increase in Accounts Receivable	(704,797)
Increase in Other Receivables	(1,000)
Increase in Company Credit Card & Payables	88,116
Decrease in Deferred Revenue	(15,500)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(6,112)
INVESTING ACTIVITIES	
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	-
FINANCING ACTIVITIES	
Owner's Contribution (net)	(68,350)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(68,350)
NET INCREASE (DECREASE) IN CASH	(74,462)
CASH AT BEGINNING OF PERIOD	237,376
CASH AT END OF PERIOD	$162,913

See Independent Accountant's Audit Report and accompanying notes, which are an integral part of these financial statements.

JIFFY JUNK FRANCHISING LLC
STATEMENT OF SHAREHOLDERS' EQUITY
AS OF AUGUST 31, 2021

	Opening Equity Balance	Yearly Changes	Total
Balance, September 1, 2020	$ 109,209	$ -	$ 109,209
Net Income for the period ending August 31, 2021	-	627,069	627,069
Equity Contributions (Distributions)	-	(68,350)	(68,350)
Balance, August 31, 2021	**$ 109,209**	**$ 558,719**	**$ 667,927**

See Independent Accountant's Audit Report and accompanying notes, which are an integral part of these financial statements.

JIFFY JUNK FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
For The Twelve-Month Period Ended August 31, 2021

NOTE A – ORGANIZATION AND NATURE OF ACTIVITIES

JIFFY JUNK FRANCHISING LLC (the "Company") was organized in 2017 under the state laws of New York for the purpose of offering franchise opportunities to entrepreneurs who want to own their own "JIFFY JUNK" location, as a franchise.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). As a result, the Company records revenue when earned and expenses when incurred. The Company has adopted the calendar year as its basis of reporting.

Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosures of contingent assets and liabilities and other items, as well as the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and any cash equivalents include all cash balances, and highly liquid investments with maturities of three months or less when purchased.

Accounts Receivable

The Company's trade receivables are recorded when billed and represent claims against third parties that will be settled in cash. The carrying value of the Company's receivables, net of the allowance for doubtful accounts, represents their estimated net realizable value.

The Company evaluates the collectability of accounts receivable on a customer-by-customer basis. The Company records a reserve for bad debts against amounts due to reduce the net recognized receivable to an amount the Company believes will be reasonably collected. The reserve is a discretionary amount determined from the analysis of the aging of the accounts receivables, historical experience and knowledge of specific customers. As of August 31, 2021, The Company assessed its customer receivables and determined there is no justification for an allowance for doubtful accounts.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Fair Value of Financial Instruments

Financial Accounting Standards Board ("FASB") guidance specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are as follows:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 primarily consists of financial instruments whose value is based on quoted market prices such as exchange-traded instruments and listed equities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (e.g., quoted prices of similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active).
- Level 3 - Unobservable inputs for the asset or liability. Financial instruments are considered Level 3 when their fair values are determined using pricing models, discounted cash flows or similar techniques and at least one significant model assumption or input is unobservable.

As of August 31, 2021, the carrying amounts of the Company's financial assets and liabilities reported in the balance sheets approximate their fair value.

Revenue Recognition

Revenues are primarily derived from franchise fees (one-time and recurring monthly fees). In accordance with Accounting Standards Codification (ASC) Topic 606, Revenue will be recognized when persuasive evidence of an arrangement exists, delivery has occurred, or services have been rendered, the seller's price to the buyer is fixed or determinable, and collectability is reasonable assured. The determination of whether fees and fixed or determinable and collection is reasonable assured involves the use of assumptions. Arrangement terms and customer information are evaluated to ensure that these criteria are met prior to recognition of revenue.

Specifically for franchisors, The Financial Accounting Standards Board (FASB) has issued an Accounting Standards Update (ASU) to ASC 606, Franchisors—'Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient' in 2021 which provides a new practical expedient that permits private company franchisors to account for preopening services provided to a franchisee as distinct from the franchise license if the services are consistent with those included in a predefined list within the guidance. The Company has elected to adopt this new standard for it's fiscal year.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Deferred Revenue

Franchise fees collected in advance of the franchise period are recorded as deferred revenue until earned in accordance with ASC 606, Franchisors—'Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient'

Income Taxes

The Company, with the consent of its shareholders, has elected to be an S-Corporation (for tax purposes). In lieu of corporate income taxes, the shareholder(s) of an S-Corporation is taxed based on its proportionate share of The Company's taxable income. Therefore, no provision or liability for income taxes has been included in these financial statements.

Commitments and Contingencies

The Company may be subject to pending legal proceedings and regulatory actions in the ordinary course of business. The results of such proceedings cannot be predicted with certainty, but the Company does not anticipate that the final outcome, if any, arising out of any such matter will have a material adverse effect on its business, financial condition or results of operations. As of August 31, 2021, the Company has not reported any lawsuit or known plans of litigation by or against the Company.

NOTE C – EQUITY

The Company is 100% owned by its two sole shareholders, Robert Palumbo & Adam Butler.

NOTE D – CONCENTRATIONS OF RISK

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents. The Company places its cash and any cash equivalents with a limited number of high-quality financial institutions and do not exceed the amount of insurance provided on such deposits.

NOTE E – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 30, 2021, the date the financial statements were available to be issued. Based on this evaluation, no additional material events were identified which require adjustment or disclosure in the financial statements.

Jiffy Junk Franchising LLC

Financial Statements
and
Independent Auditor's Report

August 31, 2020

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Jiffy Junk Franchising LLC
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August 31, 2020

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ROXIE
SAMANIEGO, CPA, P.C.

INDEPENDENT AUDITOR'S REPORT

Jiffy Junk Franchising LLC
West Babylon, New York

We have audited the accompanying financial statements of Jiffy Junk Franchising LLC, which comprise the balance sheet as of August 31, 2020 and the related statement of income, retained earnings, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jiffy Junk Franchising LLC as of August 31, 2020 and the results of its operations and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Roxie Samaniego, CPA PC

El Paso, Texas
October 11, 2020

See independent auditor's report and accompanying notes

Jiffy Junk Franchising LLC
Balance Sheet
August 31, 2020

Assets		
Current assets		
Cash and cash equivalents	$	237,376
Accounts receivable		78,702
Franchise fee receivable		47,000
Total current assets		363,078
Total assets	$	363,078
Liabilities and stockholder's equity		
Current liabilities		
Accounts payable	$	63,036
Total current liabilities		63,036
Deferred franchise fee revenue, net		190,833
Total liabilities		253,869
Stockholder's equity		
Capital investments		15,005
Retained earnings		94,204
Total stockholder's equity		109,209
Total liabilities and stockholder's equity	$	363,078

See independent auditor's report and accompanying notes

Jiffy Junk Franchising LLC
Statement of Income
For the Year Ended August 31, 2020

Income:		
Franchise fee revenue	$	27,147
Service income		549,197
Services		86,661
Discounts/refunds given		(12,629)
Royalty fees		44,000
Support service fees		45,379
Interest income		1,215
Total income		740,970
Cost of goods sold		324,808
Gross profit		416,162
Operating expenses:		
Advertising and marketing		154,927
Auto		10
Bank charges and fees		2,870
Business meals		524
Computer and internet		8,253
Dues and subscriptions		5,949
Insurance		464
Legal and professional fees		10,250
Office supplies and software		10,331
Other business expenses		416
Taxes		470
Travel		2,216
Commissions		31,511
Management fee		60,000
Total operating expenses		288,191
NET INCOME	$	127,971

See independent auditor's report and accompanying notes

Jiffy Junk Franchising LLC
Statement of Retained Earnings
For the Year Ended August 31, 2020

Total beginning retained earnings, August 31, 2019	$	(18,767)
Stockholder distributions		(15,000)
Net income		127,971
Total ending retained earnings, August 31, 2020	$	94,204

See independent auditor's report and accompanying notes

Jiffy Junk Franchising LLC
Statement of Cash Flow
For the Year Ended August 31, 2020

Cash flows from operating activities	
Net income	$ 127,971
Decrease (increase) in assets and liabilities:	
Accounts receivable	(61,097)
Franchise fee receivable	8,000
Accounts payable	51,540
Net cash provided by operating activities	126,414
Cash flows from financing activities:	
Deferred franchise fee revenue	110,833
Stockholder distributions	(15,000)
Net cash provided by financing activities	95,833
Net change in cash and cash equivalents	$ 222,247
Cash and cash equivalents, beginning of year	$ 15,129
Cash and cash equivalents, end of year	$ 237,376

See independent auditor's report and accompanying notes

Jiffy Junk Franchising LLC
Notes to the Financial Statements
For the Year Ended August 31, 2020

1. NATURE OF OPERATIONS

Business Activity

Jiffy Junk Franchising LLC ("The Company") was organized on May 14, 2015 under the Trademark Jiffy Junk LLC to offer franchise opportunities. As a Franchisor, the Company is subject to all the laws, rules, and regulations of each state. Some states have more stringent regulations than others.

Organization

Jiffy Junk Franchising LLC was organized on August 7, 2017 in the state of New York. The franchise is for the operation of the removal of unwanted goods.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The Financial Accounting Standards Board (FASB) establishes GAAP, which are contained in the Accounting Standards Codification (ASC).

Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported revenues and expenses. Actual results could vary from the estimates that were used.

Revenue Recognition

The corporation recognized its revenue from two sources. The first source of revenue generates from franchise fees collected for the rights granted under the franchise agreement. The second source of revenue generates service income from the collection of revenue for the removal of unwanted junk.

The Company generates the following revenues from each franchisee on a monthly basis: franchise fees, royalty fees, brand development fees, and marketing fees. Revenue is recorded as it is earned.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are uncollateralized customer obligations due under normal trade terms. Accounts Receivable is stated at amounts billed to customers. Payments of accounts receivable are allocated to the specific invoices identified on the customer's remittance advice, or, if unspecified, are applied to the earliest unpaid invoices. The Company reviews accounts receivable on a periodic basis to determine the collectability of accounts.

The Company will use the reserve method of accounting for bad debts for financial reporting purposes and the direct write-off method for income tax purposes. Trade accounts receivable are charged against the allowance account when such receivables are deemed to be uncollectible. Management considers all trade accounts receivable on August 31, 2020 to be collectible and no allowance considered necessary at this time.

Analysis for Impairment

Management reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment is determined based upon a comparison of future cash flows to the recorded value of the assets. Impairment losses are measured based upon the fair value of impaired assets. In management's opinion, there is no impairment of the Company's long-lived assets at August 31, 2020.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and for the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

The Company's financial instruments consist of cash, contracts receivable, accounts payable, accrued expenses, and other short-term assets and liabilities. These financial instruments approximate their fair values principally because of the short-term maturities of these instruments.

Deferred Revenue

Franchise fees collected in advance of the franchise period are recorded as deferred revenue until earned.

Federal Income Taxes

No provision for federal income taxes has been made in the accompanying financial statements. The Company is limited liability company and elected to be taxed for tax purposes. The income taxes are the responsibility of each individual shareholder. Accordingly, no provision for income taxes is made in the financial statements.

In general, a federal income tax return is subject to a three-year statute of limitations from the filing date.

Interest & Late Fees

Interest is charged at a rate of 18% for payments that are late.

3. SUBSEQUENT EVENTS

Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of Jiffy Junk Franchising, LLC through October 11, 2020 (the date the financial statements were available to be issued) and concluded that the subsequent events listed below have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

COVID-19

In recent months, the COVID-19 outbreak in the United States has resulted in numerous government mandated closures of businesses. These recent developments have not affected the Company as of now. The Company does not know the resulting implications at this time, including the related financial impact and duration cannot be reasonably estimated at this time.

Recently Issued Accounting Pronouncement, *Delayed*

Beginning in May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09 *Revenue from Contracts with Customers,* as well as several related ASUs (collectively, the "Revenue Guidance"). The Revenue Guidance clarifies the principles for recognizing revenue and develops a common revenue standard for GAAP and International Financial Reporting Standards. The Company was to adopt the Revenue Guidance effective January 1, 2019 using the modified retrospective transition method. The Company has assessed each of its revenue streams for the possible impact of the Revenue Guidance and based on the assessment, it does expect an adjustment. Due to the COVID-19 outbreak, this pronouncement was delayed for Franchisors at this time.

ROXIE
SAMANIEGO, CPA, P.C.

www.roxcpa.com
915.274.6073

EXHIBIT H TO THE DISCLOSURE DOCUMENT

FRANCHISEE ACKNOWLEDGMENT STATEMENT

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

You hereby acknowledge the following:

1. You have conducted an independent investigation of all aspects relating to the financial, operational and other aspects of the business of operating the Franchised Business. You further acknowledge that, except as may be set forth in our Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement have been made to you by us and you and any and all Principals hereby waive any claim against us for any business failure you may experience as a franchisee under this Agreement.

2. You have conducted an independent investigation of the business contemplated by this Agreement and understand and acknowledge that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of you and your efforts as an independent business operation.

3. You agree that no claims of success or failure have been made to you prior to signing this Agreement and that you understand all the terms and conditions of this Agreement. You further acknowledge that this Agreement contains all oral and written agreements, representations and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.

4. You have no knowledge of any representations by us or our officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by this Agreement that are contrary to the terms of this Agreement or the documents incorporated herein. You acknowledge that no representations or warranties are made or implied, except as specifically set forth herein. You represent, as an inducement to our entry into this Agreement, that you have made no misrepresentations in obtaining this Agreement.

5. We expressly disclaim the making of, and you acknowledge that you have not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by this Agreement.

6. You acknowledge that our approval or designation of your territory does not constitute a warranty, recommendation or endorsement of the territory, nor any assurance by us that the operation of the Franchised Business in the territory will be successful or profitable.

7. You acknowledge that you have received the Jiffy Junk Franchise Disclosure Document with a complete copy of this Agreement and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which this Agreement was executed. You further acknowledge that you have read such Franchise Disclosure Document and understand its contents.

8. You acknowledge that you have had ample opportunity to consult with your own attorneys, accountants and other advisors and that the attorneys for us have not advised or represented you with respect to this Agreement or the relationship thereby created.

9. You, together with your advisers, have sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by this Agreement.

10. You are aware of the fact that other present or future franchisees of ours may operate under different forms of agreement(s), and consequently that our obligations and rights with respect to our various franchisees may differ materially in certain circumstances.

11. It is recognized by the parties that we are also (or may become) a manufacturer or distributor of certain products under the Proprietary Marks licensed herein; and it is understood that we do not warrant that such products will not be sold within your Designated Territory by others who may have purchased such products from us.

12. Release of Prior Claims. BY EXECUTING THIS AGREEMENT, YOU AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF YOU AND SUCH PRINCIPAL'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE JIFFY JUNK FRANCHISING LLC, JIFFY JUNK LLC, JIFFY JUNK INDEMNITEES, AND ALL OF THEIR OFFICERS, DIRECTORS, SHAREHOLDERS, AGENTS AND SUCCESSORS AND ASSIGNS FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF. THIS RELEASE SHALL NOT APPLY TO ANY CLAIMS ARISING FROM REPRESENTATIONS MADE BY US IN OUR FRANCHISE DISCLOSURE DOCUMENT RECEIVED BY YOU.

Acknowledged this _____.

_____
Signature
Name:_____

CERTIFICATION BY MULTI-UNIT DEVELOPER

No statement, questionnaire, or acknowledgment signed or agreed to by a developer in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement

made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The undersigned, personally and as Multi-Unit Developer does hereby certify that he/she has conducted an independent investigation of the business contemplated by this Multi-Unit Development Agreement and the Jiffy Junk Franchising LLC Franchise Agreement, and that the decision to execute the Multi-Unit Development Agreement was based entirely upon the independent investigation by the undersigned; and the undersigned further certifies that he/she has not relied upon, in any way, any claims regarding potential sales, income, or earnings to be derived from the business contemplated by the Franchise Agreement and Multi-Unit Development Agreement, and has not relied upon any claims regarding past or current sales, income or earnings of Franchisor-operated Jiffy Junk outlets. The undersigned further certifies that he/she understands the risks involved in this investment and Jiff Junk Franchising LLC makes no representation or guaranty, explicit or implied, that the Multi-Unit Developer will be successful or will recoup his/her investment.

The undersigned has signed, sealed and delivered this Certificate this day of _____ _____.

_____
Name:_____

_____
Name:_____

_____
Name:_____

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date
Illinois	*Pending*
New York	December 22, 2017, amended *Pending*

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Jiffy Junk Franchising LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Jiffy Junk Franchising LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC, 20580, and the appropriate state agency listed on Exhibit A.

The name and principal business address and telephone number of each franchise seller offering the franchise is:

Robert Palumbo 615 Sunrise Highway West Babylon, New York 11704 844-543-3966	Adam Butler 615 Sunrise Highway West Babylon, New York 11704 844-543-3966	Stuart Greenvald 5618 Vintage Oaks Circle Delray Beach, Florida 33484 844-543-3966 (Florida sales only)

Issuance Date: December 28, 2022

I received a Disclosure Document dated December 28, 2022, that included the following Exhibits:

EXHIBIT A: Agents for Service of Process/State Administrators
EXHIBIT B: State Specific Addenda
EXHIBIT C: Franchise Agreement, with Attachments 1-8
EXHIBIT D: Multi-Unit Development Agreement
EXHIBIT E: List of Franchisees
EXHIBIT F: Table of Contents of Operations Manual
EXHIBIT G: Financial Statements
EXHIBIT H: Franchisee Acknowledgment Statement/Certification by Multi-Unit Developer

Date Received:_____ Date:_____
(If other than date signed)

_____
(Signature of recipient)

Print Name:_____

_____
Legal Residence Address

KEEP FOR YOUR RECORDS

RECEIPT

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Date Received:_____ Date:_____
(If other than date signed)

_____
(Signature of recipient)

Print Name:_____

_____
Legal Residence Address

Please return signed receipt to Jiffy Junk Franchising LLC
615 Sunrise Highway
West Babylon, New York, 11704